

State of Colorado

Cash Funds Uncommitted Reserves Fiscal Year Ended June 30, 2023

Performance Audit
November 2023
2352P



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November 17, 2023

Members of the Legislative Audit Committee:

This report contains the results of a performance audit of the Cash Funds Uncommitted Reserves Report for the Fiscal Year Ended June 30, 2023. The audit was conducted pursuant to Section 24-30-207(3), C.R.S., which requires the State Auditor to conduct an audit of the Cash Funds Uncommitted Reserves Report prepared by the Office of the State Controller. The report presents our findings, conclusions, and recommendations, and the responses of various departments.

Kerri L. Hunter



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Report Highlights



Cash Funds Uncommitted Reserves Fiscal Year Ended June 30, 2023

State of Colorado • Office of the State Controller
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OFFICE OF THE STATE AUDITOR

C O L O R A D O

Key Concern

Seven departments did not comply with uncommitted cash fund reserves statutory requirements.

Key Findings

- We determined that seven departments had funds with excess uncommitted reserves as of June 30, 2023. The departments that we identified as having cash funds with excess uncommitted reserves as of June 30, 2023, are:
 - Department of Early Childhood
 - Office of the Governor
 - Judicial Department
 - Department of Local Affairs
 - Department of Public Health and Environment
 - Department of Regulatory Agencies
 - Department of Revenue
- Within those seven departments, 18 total cash funds had excess uncommitted reserves totaling approximately \$48.5 million.
 - The total number of departments with excess uncommitted reserves decreased by two from the prior year.
 - The total number of funds with excess uncommitted reserves stayed the same from the prior year.
 - Total excess uncommitted reserves increased by approximately \$32 million from the prior year.
- The Department of Public Health and Environment had a cash fund with excess uncommitted reserves for 3 consecutive years; as a result, the OSC will be required to restrict its spending authority in accordance with Section 24-75-402(12), C.R.S., beginning in Fiscal Year 2024.
- The Department of Public Health and Environment had a cash fund with excess uncommitted reserves for 5 consecutive years; as a result, the OSC began restricting its spending authority in Fiscal Years 2022 and 2023 in accordance with Section 24-75-402(12), C.R.S. and will continue to restrict its spending authority in Fiscal Year 2024.

Background

- Section 24-75-402, C.R.S., limits the amount that departments can keep in certain cash funds at the end of a fiscal year.
- A cash fund has an excess uncommitted reserve when the year-end balance is greater than statutory reserve limits.
- The Office of the State Controller (OSC) is required to prepare the Cash Funds Excess Uncommitted Reserves Report annually by September 20 to determine which funds are in compliance.

Recommendations Made

18

Responses

Agree: **18**

Partially Agree: **0**

Disagree: **0**



Chapter 1

Overview

In 1998, the General Assembly limited the amount of reserves that state agencies may maintain in cash funds by passing Senate Bill 98-194. Codified in Section 24-75-402, C.R.S., the law establishes a reserve limit for all cash funds, except those specifically exempted, equal to 16.5 percent of the total expenditures in the fund during the fiscal year. This amount is roughly equal to a 2-month spending reserve. Some funds may be subject to alternative maximum reserve limits that statutes establish elsewhere. If a particular fund's uncommitted reserve balance exceeds the applicable statutory limit, the agency responsible for the fund is required to reduce fees accordingly or increase expenditures in order to reduce the excess.

To help enforce these constraints, the General Assembly included a provision requiring the State Controller to produce an annual report of the uncommitted reserves that exist in each state cash fund. The Legislature codified this provision in Section 24-30-207, C.R.S., which specifically requires that the State Controller submit the *Cash Funds Uncommitted Reserves Report (Report)* to the Office of State Planning and Budgeting (OSPB) and the Joint Budget Committee (JBC) on or before September 20 of each year. The law also requires the State Auditor to audit the Report.

Methodology to Identify Cash Funds with Excess Uncommitted Reserves

Section 24-75-402, C.R.S., prescribes a methodology to determine the amount of excess uncommitted reserves for each of the State's cash funds. Exhibit 1.1 demonstrates the activity and account balances used to calculate the excess uncommitted reserve of a hypothetical cash fund to illustrate the methodology.

Fund balance, adjusted for exempt assets and previously appropriated amounts, and revenue, categorized by fee and non-fee sources, are used to calculate the amount of each cash fund's uncommitted reserves. Statute limits the amount of uncommitted reserves a fund can have at the end of each fiscal year. Funds that have any amount of uncommitted reserves in excess of either the statutory maximum, statutory alternative maximum, or the JBC-approved alternative maximum, as applicable, have "excess uncommitted reserves" and are out of compliance. The Exhibit shows that cash fund "Z" has an excess uncommitted reserve of \$283,000 at the end of the fiscal year.

Exhibit 1.1
Hypothetical Balances for Cash Fund Z
Calculation of Excess Uncommitted Reserve
Balances as of June 30, 20XX

Hypothetical Balances:			
Ending fund balance	\$ 400,000	A	
Exempt assets (e.g. inventory)	\$ 1,000	B	
Capital Reserve	\$ 1,000	C	
Previously appropriated fund balance (e.g., capital construction)	\$ 3,000	D	
Fiscal Year 20XX revenue and expenses:			
Fee revenue	\$ 200,000	E	
Non-fee revenue	\$ 50,000	F	
Total revenue	\$ 250,000	G	
Total expenses	\$ 200,000	H	
Steps used to calculate the amount of excess uncommitted reserves:			
1 Calculate the uncommitted reserve			
Reduce fund balance by exempt assets and any previously appropriated fund balance			
Fund balance	\$ 400,000	A	
Less: Exempt assets	\$ (1,000)	B	
Capital reserve	\$ (1,000)	C	
Previously appropriated fund balance	\$ (3,000)	D	
Reduced fund balance			\$ 395,000
Multiply reduced fund balance by the ratio of fee revenue to total revenue			
Fee revenue	\$ 200,000	E	
Total revenue	\$ 250,000	G	
Ratio of fee revenue to total revenue			80%
Uncommitted reserve			\$ 316,000
<i>(Note: Reduced fund balance multiplied by the ratio.)</i>			
2 Calculate the Maximum reserve			
Multiply total expenses by 16.5 percent			
Total expenses	\$ 200,000	H	
X	16.5%		
Maximum reserve			\$ 33,000
3 Calculate the excess uncommitted reserve			
Subtract maximum reserve from the uncommitted reserve			
Excess uncommitted reserve			\$ 283,000

Cash Funds Uncommitted Reserves for Fiscal Year 2023

The purpose of Section 24-75-402, C.R.S., was not only to eliminate excess uncommitted reserves existing on June 30, 1998, but also to keep all cash funds from increasing their uncommitted reserves in future years.

In Fiscal Year 2015, the General Assembly changed the requirements for calculating excess uncommitted reserves through House Bill 15-1261, which stated that only funds with uncommitted reserves greater than \$200,000 with an excess are out of compliance. The General Assembly also added a provision that allows departments to request that the State Controller average the calculated uncommitted reserve for a cash fund over a multi-year period if the program has a multi-year revenue collection period. As of the date of this report, the Office of the State Controller (OSC) indicates that it has not received any requests to average uncommitted reserves in accordance with this provision.

The bill also added a provision allowing departments to submit a request to the JBC to waive these reserve requirements for a specific period. Departments can specifically request either a full exemption for a cash fund or the establishment of an alternative maximum reserve amount for the cash fund. This waiver could be for any amount. Exhibit 1.2 shows the cash funds that have JBC-approved waivers as of the date of this report. The funds in this table noted as having an “Exemption” waiver are excluded from the cash funds reporting requirements and are, therefore, not included in any tables or appendices. The funds in this table noted as having an “Alternative Maximum” waiver are included in tables and appendices, and are included in this report if they have uncommitted reserves in excess of their alternative maximum reserve.

Exhibit 1.2

State of Colorado

Joint Budget Committee Approved Cash Fund Waivers for Cash Funds as of Fiscal Year 2023

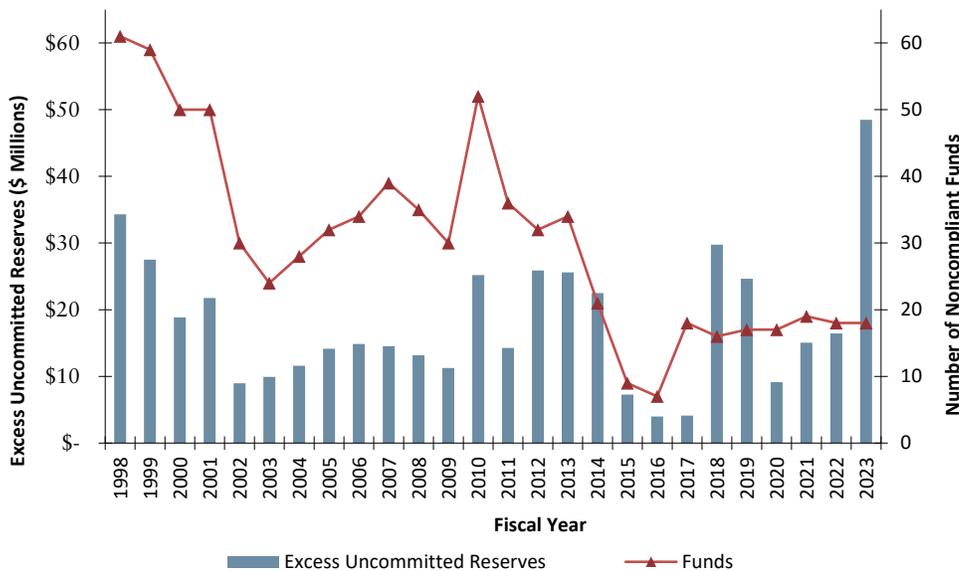
Fund Name	Waiver Type	Maximum Reserve	Alternative Maximum Reserve	Waiver Period (Fiscal Years)
Agriculture				
Industrial Hemp Registration Program Cash Fund	Exemption	N/A	N/A	2021 through 2023
Education				
Educator Licensure Cash Fund	Exemption	N/A	N/A	2022 through 2023
Labor and Employment				
Conveyance Safety Fund	Alternative Maximum	\$152,200	\$1,500,000	2022 through 2023
Wage Theft Enforcement Fund	Exemption	N/A	N/A	2022 through 2025
Personnel and Administration				
Supplier Database Cash Fund	Exemption	N/A	N/A	2023 through 2024
Public Health and Environment				
Hazardous Substances Response Fund	Exemption	N/A	N/A	2023
Newborn Genetics Fund	Exemption	N/A	N/A	2023
Assisted Living Residence Cash Fund	Exemption	N/A	N/A	2022 through 2023
Radiation Control Fund	Exemption	N/A	N/A	2022 through 2023
Public Safety				
Health Facility Construction and Inspection Cash Fund	Alternative Maximum	\$383,800	\$697,818	2021 through 2023
Public School Construction and Inspection Cash Fund	Alternative Maximum	\$429,170	\$1,040,411	2021 through 2023
School Safety Resource Cash Fund	Exemption	N/A	N/A	2022 through 2023
Instant Criminal Background Check Cash Fund	Exemption	N/A	N/A	2022 through 2024
CBI Identification Unit Fund	Exemption	N/A	N/A	2023 through 2024

Source: Joint Budget Committee letters to the Office of the State Controller dated June 2020 through June 2023.

The Fiscal Year 2023 Report indicates that, overall, Section 24-75-402, C.R.S., has reduced the total number of cash funds with excess uncommitted reserves since 1998. The Report shows 18 cash funds with excess uncommitted reserves of about \$48.5 million, compared with 61 cash funds with excess uncommitted reserves of about \$34.3 million identified in the Fiscal Year 1998 Report. From Fiscal Year 2022 to Fiscal Year 2023 the total excess uncommitted reserves increased by approximately \$32 million, and the total number of funds stayed the same.

Exhibit 1.3 shows the excess uncommitted reserves by fiscal year and the number of noncompliant funds since the implementation of the original cash funds legislation in Fiscal Year 1998.

Exhibit 1.3
State of Colorado
Cash Funds Excess Uncommitted Reserves
and Number of Noncompliant Funds by Fiscal Year



Source: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for Fiscal Years 1998 through 2023*.

NOTE: Beginning with Fiscal Year 2015, funds with excess uncommitted reserves are defined as funds with uncommitted reserves greater than \$200,000 with an excess. For Fiscal Years 1998 through 2014, the definition applied to funds with uncommitted reserves greater than \$50,000 with an excess.

Taxpayer’s Bill of Rights (TABOR) Implications

Each year, the OSC prepares the *Schedule of Computations Required Under Article X, Section 20, of the State Constitution (TABOR)*, which calculates the annual amount of TABOR revenue collected by the State. If the State collects revenue in excess of a calculated limit, it must refund that excess to taxpayers. The excess has traditionally been paid from tax revenues in the General Fund, rather than fee revenues in cash funds. TABOR revenue consists of two major parts: state tax revenues including income and sales taxes, and fees from cash-funded activities. The financial information relating to fee revenue contained in this audit report is a component of all fees from cash-funded activities. As reported by the State Controller as of September 1, 2023, the State had approximately \$20.2 billion in TABOR revenue for Fiscal Year 2023. This included \$6.7 billion recorded in all cash funds, with \$536.2 million in cash funds subject to the requirements of this report. Fiscal Year 2023 revenue was over the limit by \$3.6 billion. When the State’s TABOR revenue exceeds the limit, excess fee revenue in cash funds may influence whether the State will owe TABOR refunds. Section 24-75-

402(3)(c), C.R.S., requires a department to reduce fees or increase expenditures if the department has excess uncommitted reserves.

Exhibit 1.4 lists the top 10 individual funds with the largest excess uncommitted reserves balances, and their corresponding departments. The exhibit also shows the total number of years, not necessarily consecutive, that each fund has been out of compliance with statutory requirements.

Exhibit 1.4

State of Colorado

Cash Funds with 10 Largest Excess Uncommitted Reserves Balances as of June 30, 2023 with Comparison of Balances as of June 30, 2022

Department	Fund Name	Excess Uncommitted Reserves 2022	Excess Uncommitted Reserves 2023	Total Number of Years out of Compliance ¹
Judicial Department	Judicial Information Technology Cash Fund	\$0	\$12,790,045	3
Department of Public Health and Environment	Perfluoroalkyl and Polyfluoroalkyl Substances Cash Fund	\$0	\$12,665,733	1
Department of Revenue	Colorado DRIVES Fund	\$0	\$9,360,224	1
Department of Regulatory Agencies	Division of Professions and Occupations Cash Fund	\$3,882,428	\$7,812,728	10
Department of Public Health and Environment	Vital Records Fund	\$963,899	\$1,405,922	5
Department of Local Affairs	Mobile Home Park Act Dispute Resolution and Enforcement Fund	\$1,194,430	\$999,866	2
Department of Early Childhood	Records and Reports Fund	\$0	\$695,909	1
Department of Revenue	Liquor Enforcement Division & State Licensing Authority Fund	\$0	\$635,586	11
Department of Local Affairs	Building Regulation Fund	\$295,150	\$519,221	11
Department of Regulatory Agencies	Prescription Drug Monitoring Fund	\$0	\$410,360	9

Source: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2001, through 2023*.

¹ Total number of years out of compliance may not necessarily represent consecutive years.

Restriction of Spending Authority

Section 24-75-402(12), C.R.S., requires the State Controller to restrict spending authority for cash funds that have been out of compliance for 3 consecutive fiscal years. Specifically, this statute instructs the State Controller to restrict spending of any appropriation from the cash fund for the next fiscal year in an amount equal to the lesser of the excess uncommitted reserve or the applicable maximum reserve requirement. Statute also instructs the State Controller to release the restriction when the fund complies with the maximum or alternative maximum reserve requirement, or when the Joint Budget Committee approves an exemption waiver for the fund.

Exhibit 1.5 provides a listing of the cash funds with excess uncommitted reserves for 2 or more consecutive years as of June 30, 2023. As shown in the exhibit, the Vital Records Fund at the Department of Public Health and Environment had an excess uncommitted reserve for 3 consecutive years. As a result, this fund is now subject to spending authority restriction in Fiscal Year 2024, in accordance with statute. The Medical Marijuana Cash Fund at the Department of Public Health and Environment had an excess uncommitted reserve for 5 consecutive years, and therefore, was subject to the spending authority restriction in Fiscal Years 2022 and 2023. This fund will continue to be subject to the restriction in Fiscal Year 2024.

The remaining funds, which have had excesses for 2 consecutive years, will be subject to the spending authority restriction in Fiscal Year 2025 if they continue to have an excess uncommitted reserve at the end of Fiscal Year 2024.

Exhibit 1.5
State of Colorado
Cash Funds with 2 or More Consecutive Years of Excess
Uncommitted Reserves as of June 30, 2023

Fund Name	Excess Uncommitted Reserves				
	2019	2020	2021	2022	2023
Department of Local Affairs					
Building Regulation Fund	\$0	\$0	\$0	\$295,150	\$519,221
Private Activity Bond Allocation Fund	\$0	\$0	\$0	\$186,639	\$175,057
Mobile Home Park Act Dispute Resolution and Enforcement Fund	\$0	\$0	\$0	\$1,194,430	\$999,866
Subtotal	\$0	\$0	\$0	\$1,676,219	\$1,694,144
Department of Public Health and Environment					
Vital Records Fund	\$0	\$0	\$663,304	\$963,899	\$1,405,922
Medical Marijuana Cash Fund	\$31,699	\$190,239	\$24,665	\$10,718	\$68,146
Subtotal	\$31,699	\$190,239	\$687,969	\$974,617	\$1,474,068
Department of Regulatory Agencies					
Division of Professions and Occupations Fund	\$0	\$0	\$0	\$3,882,428	\$7,812,728
Grand Total	\$31,699	\$190,239	\$687,969	\$6,533,264	\$10,980,940

Source: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2019 through 2023*.

Reporting Requirements

Section 24-75-402(5), C.R.S., identifies specific funds to be excluded from the Report, as well as criteria for exclusion. These criteria include the exclusion of any cash fund established to fund capital construction, any trust fund, and any cash fund with uncommitted reserves of less than \$200,000. Additionally, during Fiscal Year 2011, a legal memorandum from the Office of Legislative Legal Services concluded that fee revenue set in statute should be excluded from the cash fund’s fee revenue in the calculation of excess uncommitted reserves.

Current and Prior Year Compliance

In our *Fiscal Year 2023 Cash Funds Uncommitted Reserves* audit report we have made recommendations to seven departments for 18 funds with excess uncommitted reserves that were out of compliance with Section 24-75-402(3)(c), C.R.S. By comparison, in the previous year, as a result of our Fiscal Year 2022 audit, we made recommendations to nine departments for 18 cash funds that were out of compliance.

Exhibit 1.6 shows cash funds with any excess uncommitted reserves at the end of Fiscal Year 2023 or Fiscal Year 2022. The complete Report with all cash funds with uncommitted reserves greater than \$200,000 at the end of Fiscal Year 2023 and subject to Section 24-75-402, C.R.S., is on pages 40 and 41.

Exhibit 1.6 State of Colorado Cash Funds Excess Uncommitted Reserves Summary for the Fiscal Years Ended June 30, 2022 and 2023

Fund Name	Excess Uncommitted Reserves	
	Fiscal Year 2022	Fiscal Year 2023
Department of Agriculture		
Inspection and Consumer Services Cash Fund	\$126,664	\$0
Plant Health, Pest Control and Environmental Protection	\$794,659	\$0
Subtotal	\$921,323	\$0
Department of Early Childhood		
Child Care Licensing Cash Fund	\$0	\$134,273
Records and Reports Fund	\$0	\$695,909
Subtotal	\$0	\$830,182
Office of the Governor		
Travel and Tourism Additional Sources Fund	\$0	\$288,720
Department of Health Care Policy and Financing		
Department of Health Care Policy and Financing Cash Fund	\$548,979	\$0

Exhibit 1.6
State of Colorado
Cash Funds Excess Uncommitted Reserves Summary
for the Fiscal Years Ended June 30, 2022 and 2023

Fund Name	Excess Uncommitted Reserves	
	Fiscal Year 2022	Fiscal Year 2023
Judicial Department		
Judicial Information Technology Cash Fund	\$0	\$12,790,045
Department of Law		
Uniform Consumer Credit Code Cash Fund	\$299,336	\$0
Student Loan Ombudsperson and Loan Servicer Licensing Fund	\$204,096	\$0
Subtotal	\$503,432	\$0
Department of Local Affairs		
Building Regulation Fund	\$295,150	\$519,221
Private Activity Bond Allocation Fund	\$186,639	\$175,057
Mobile Home Park Act Dispute Resolution and Enforcement Fund	\$1,194,430	\$999,866
Subtotal	\$1,676,219	\$1,694,144
Department of Personnel and Administration		
Disability Support Fund	\$267,169	\$0
Supplier Database Cash Fund	\$1,826,120	\$0
Subtotal	\$2,093,289	\$0
Department of Public Health and Environment		
Hazardous Substances Response Fund	\$2,657,591	\$0
Vital Records Fund	\$963,899	\$1,405,922
Medical Marijuana Cash Fund	\$10,718	\$68,146
Home Care Agency Cash Fund	\$0	\$77,951
Health Facilities General Licensure Cash Fund	\$0	\$39,016
Paint Stewardship Cash Fund	\$0	\$187,452
Perfluoroalkyl and Polyfluoroalkyl Substances Cash Fund	\$0	\$12,665,733
Subtotal	\$3,632,208	\$14,444,220
Department of Public Safety		
Colorado Bureau of Investigation Identification Unit Fund	\$541,662	\$0
Department of Regulatory Agencies		
Public Utilities Commission Fixed Utility Fund	\$2,201,883	\$0
Division of Professions and Occupations Cash Fund	\$3,882,428	\$7,812,728
Prescription Drug Monitoring Fund	\$0	\$410,360
Division of Securities Cash Fund	\$208,616	\$0
Financial Services Cash Fund	\$0	\$214,042
Subtotal	\$6,292,927	\$8,437,130
Department of Revenue		
Auto Dealers License Fund	\$233,245	\$0
Liquor Enforcement Division & State Licensing Authority Fund	\$0	\$635,586
Colorado DRIVES Fund	\$0	\$9,360,224
Subtotal	\$233,245	\$9,995,810
Grand Total	\$16,443,284	\$48,480,251

Audit Purpose, Scope, and Methodology

We conducted this performance audit pursuant to Section 24-30-207(3), C.R.S., which requires the State Auditor to perform an audit of the OSC's annual Report. We performed our audit work on the Fiscal Year 2023 Report during the period July 2023 through November 2023. We appreciate the cooperation and assistance provided by the State Controller and OSC staff, as well as staff at the various departments. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The key audit objectives were to determine compliance of the State's cash funds in accordance with Section 24-75-402, C.R.S., and to determine whether the schedules contained in the State Controller's Report were prepared in accordance with statute. The full Report is included on pages 42 and 43 of this audit report.

To accomplish our audit objectives, we performed the following audit work:

- Determined whether the schedules contained in the Report, as prepared by the OSC, were prepared in accordance with statute.
- Obtained an understanding of internal control that is significant within the context of audit objectives. If significant to audit objectives, we evaluated the effectiveness of internal control in relation to the OSC's preparation of the financial report.
- Determined whether departments complied with Section 24-75-402, C.R.S., for cash funds with excess uncommitted reserves as of the Fiscal Year Ended June 30, 2023.
- Determined whether the OSC has created policies and procedures to ensure creation of an accurate list of funds for which they are required to restrict spending authority in accordance with Section 24-75-402(12), C.R.S.
- Followed up on prior year audit recommendations.

We relied on sampling to support some of our audit work. We selected a nonstatistical sample of 100 of the total 552 funds and performed detailed testing of the various balances reported in the OSC's Report. We chose the sample to provide sufficient coverage of those areas that were significant to the objectives of this audit and the results of our sample testing were not intended to be projected to the entire population. However, the sample results are valid for confirming that the departments generally recorded cash fund information in accordance with the OSC's Fiscal

Procedures Manual (FPM) and, along with the other audit work performed, provide sufficient, reliable evidence as the basis for our findings, conclusions, and recommendations. The OSC publishes the FPM each year to communicate policies and procedures to the departments, and it includes detailed policies for recording transactions related to cash funds. This is the main way the OSC communicates internal control information externally to each department.

As required by auditing standards, we planned our audit work to assess the effectiveness of those internal controls that were significant to our audit objectives. Our conclusions on the effectiveness of those controls that were significant to our audit objectives, as well as specific details about the audit work supporting our findings, conclusions, and recommendations are described in the remainder of this report. The OSC reviewed a draft of this report and each department reviewed their respective findings and recommendations. We have incorporated the department and OSC comments into the report where relevant. The written responses to the recommendations and the related implementation dates are the sole responsibility of each department.

We communicated in a separate letter dated November 17, 2023 certain deficiencies in internal control that were not significant to the objectives of the audit but warranted the OSC's attention.

Obtaining the views of responsible officials is an important part of the Office of the State Auditor's (OSA) commitment to ensuring that the report is accurate, complete, and objective. The OSA was solely responsible for determining whether and how to revise the report, if appropriate, based on the departments' comments. The written responses to the recommendations and the related implementation dates were the sole responsibility of the departments. However, in accordance with auditing standards, we have included an Auditor's Addendum to responses that are inconsistent with the findings or conclusions or that do not adequately address the recommendations.

Overall Conclusion

Based on the results of our audit we determined the schedules contained in the Report, as prepared by the OSC, were prepared in accordance with Section 24-75-402, et. seq., C.R.S., including within the deadline for submission to the OSPB and JBC outlined in Section 24-30-207(3), C.R.S. We obtained an understanding of internal controls that were significant within the context of our audit objectives, evaluated the effectiveness of internal control in relation to the State Controller's preparation of the financial report, and found no significant deficiencies.

We determined that the OSC has created and implemented policies and procedures to ensure creation of an accurate list of funds for which they are required to restrict spending authority in accordance with Section 24-75-402(12), C.R.S.

We determined that seven departments did not comply with Section 24-75-402, C.R.S., for cash funds with excess uncommitted reserves as of the Fiscal Year Ended June 30, 2023. During our

review of prior year audit recommendations, we determined that departments implemented our Fiscal Year 2022 recommendations for 12 cash funds across eight departments, and six cash funds across three departments continued to be out of compliance. We describe specific details regarding these instances of noncompliance, our findings, and recommendations to the various departments in Chapter 2.

Chapter 2

Findings and Recommendations

Compliance with Statutory Reserve Requirements

Cash funds statutes list key dates that specify when cash funds should comply with statutory requirements. Section 24-75-402(6), C.R.S., specifies that excess uncommitted reserves limitations do not apply to funds that have been in existence for fewer than 2 full fiscal years.

What audit work was performed and what was the purpose?

As part of our audit of the Fiscal Year 2023 *Cash Funds Uncommitted Reserves Report* (Report) we reviewed the departments' cash fund balances, obtained fund descriptions, and performed testwork on significant balances. The purpose of our audit work was to determine departments' compliance with statutory limits on excess uncommitted cash funds reserves.

How were the results of the audit work measured?

Departments are allowed to keep cash fund reserves subject to limits as outlined in statute. If a cash fund is found to be out of compliance with the statutory limits, Section 24-75-402(3)(c) C.R.S. requires that departments take action to reduce excess uncommitted reserves by decreasing fees charged to citizens, taking into account any increases in expenditures from the fund. Section 24-75-402(12) C.R.S. also requires the State Controller to restrict spending authority of funds that have been out of compliance for 3 consecutive years.

What problem did the audit work identify?

During our audit, we found that seven departments had excess uncommitted reserves as of the end of Fiscal Year 2023, totaling approximately \$48.5 million within 18 cash funds that are subject to statutory limits. The departments and funds not in compliance as of June 30, 2023, are described in the following department sections in this report, along with the number of years each fund has shown an excess, based on the first year of required compliance.

Why did this problem occur?

The seven departments with excess uncommitted reserves for Fiscal Year 2023 did not take action to ensure statutory compliance with cash funds uncommitted reserves limits such as reducing fees, spending down the balance, or seeking a waiver from the Joint Budget Committee.

Why does this problem matter?

As discussed in Chapter 1, because the departments did not take the necessary action to reduce fees, excess reserves were not mitigated effectively. Further, because cash fund fees are considered part of TABOR revenue, excess cash reserves contribute to the State potentially exceeding TABOR limits in a given year. For Fiscal Year 2023, the State was over the TABOR excess revenues cap by \$3.6 billion according to the State Controller's September 1 TABOR certification letter.

Department of Early Childhood

As of June 30, 2023, the Department of Early Childhood had two cash funds out of compliance with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$0.8 million. Both of these cash funds were previously monitored by the Department of Human Services. However, effective as of July 1, 2022, pursuant to House Bill 22-1295, these funds were transferred to the Department of Early Childhood.

Child Care Licensing Cash Fund

Purpose: To collect fees related to childcare licensing applications, reapplications, and renewals.

First Year of Required Compliance: Fiscal Year 2003.

Status: Fiscal Year 2023 was the 1st year since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

Exhibit 2.1 Child Care Licensing Cash Fund

Fiscal Year	Amount of Excess
2003-2022 ¹	\$ –
2023	\$ 134,273

Source: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports* for the Fiscal Years Ended June 30, 2003, through 2023.

¹This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

Records and Reports Fund

Purpose: To collect fees to conduct background checks on people working with children which are used to support the direct and indirect costs of conducting the background checks.

First Year of Required Compliance: Fiscal Year 2003.

Status: Fiscal Year 2023 was the 1st year since the Fund’s inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

**Exhibit 2.2
Records and Reports Fund**

Fiscal Year	Amount of Excess
2003-2022 ¹	\$ –
2023	\$695,909

Source: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports* for the Fiscal Years Ended June 30, 2003, through 2023.

¹This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years

Recommendation 1

The Department of Early Childhood should take the appropriate action related to its cash funds excess uncommitted reserves, including the following:

- A. Ensuring that the Child Care Licensing Cash Fund complies with applicable cash funds statutory requirements.
- B. Ensuring that the Records and Reports Fund complies with applicable cash funds statutory requirements.

Response

Department of Early Childhood

- A. Agree
Implementation Date: June 2024
The Department of Early Childhood agrees that the Child Care Licensing Cash Fund is out of compliance with the statutory reserve requirement. A resolution plan is in place to bring the excess reserves in the fund into compliance by June 2024. HB 21-1304, created the new state Department of Early Childhood beginning July 1, 2022. Previously, programs and services related to early childhood were primarily located in the Colorado Department of Human

Services, the Department of Early Childhood has been transitioning out of the Colorado Department of Human Services through FY 2022-23. As a result, it was difficult to manage the program's revenues to match its spending each fiscal year in comparison to prior year expenditures. The Department resolution plan includes policies and procedures that will monitor excess uncommitted reserves to ensure all cash funds are in compliance with statutory requirements and submit the required compliance plans in accordance with OSPB guidelines.

B. Agree

Implementation Date: June 2025

The Department of Early Childhood agrees that the Records and Reports Fund is out of compliance with the statutory reserve requirements. A resolution plan is in place to bring the excess reserves in the fund into compliance by June 2025. The Department did not have enough spending authority to fully spend down the cash fund. To implement the recommendation, the Department will work through the normal budget process to increase spending authority for the cash fund. Once the spending authority is increased, the Department will be able to utilize enough cash fund revenue to comply with statute. HB 21-1304, created the new state Department of Early Childhood beginning July 1, 2022. Previously, programs and services related to early childhood were primarily located in the Colorado Department of Human Services, the Department of Early Childhood has been transitioning out of the Colorado Department of Human Services through FY 2022-23. As a result, it was difficult to manage the program's revenues to match its spending each fiscal year in comparison to prior year expenditures. The Department resolution plan includes policies and procedures that will monitor excess uncommitted reserves to ensure all cash funds are in compliance with statutory requirements and submit the required compliance plans in accordance with OSPB guidelines.

Office of the Governor

As of June 30, 2023, the Office of the Governor had one cash fund out of compliance with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$0.3 million.

Travel and Tourism Additional Sources Fund

Purpose: To collect fees from the sale of advertising to promote Colorado as an international travel destination.

First Year of Required Compliance: Fiscal Year 2003.

Status: Fiscal Year 2023 was the 4th year in total since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

Exhibit 2.3
Travel and Tourism Additional Sources Fund

Fiscal Year	Amount of Excess
2003-2006 ¹	\$ –
2007	\$ 338,417
2008-2009 ¹	\$–
2010	\$111,052
2011	\$ 44,481
2012-2022 ¹	\$–
2023	\$288,720

Source: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports* for the Fiscal Years Ended June 30, 2003, through 2023.

¹This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

Recommendation 2

The Office of the Governor should take appropriate action to ensure that the Travel and Tourism Additional Sources Fund complies with applicable cash funds statutory requirements.

Response

Office of the Governor

Agree

Implementation Date: March 2024

The Offices of the Governor agree with the recommendation, and will draft and release new policies and procedures concerning Cash Fund management, including, but not limited to, managing cash funds excess uncommitted reserves. Furthermore, the Office of Economic Development and International Trade's Colorado Tourism Office shall review the Travel and Tourism Additional Sources Fund and ensure its compliance with Section 24-75-402(3)(c), C.R.S.

Judicial Department

As of June 30, 2023, the Judicial Department had one cash fund out of compliance with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$12.8 million.

Judicial Information Technology Cash Fund

Purpose: To collect usage fees to maintain the court case management system.

First Year of Required Compliance: Fiscal Year 2010.

Status: Fiscal Year 2023 was the 3rd year in total since the Fund’s inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

Exhibit 2.4
Judicial Information Technology Cash Fund

Fiscal Year	Amount of Excess
2010-2017 ¹	\$ –
2018	\$1,634,237
2019	\$3,115,385
2020-2022 ¹	\$ –
2023	\$12,790,045

Source: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports* for the Fiscal Years Ended June 30, 2010, through 2023.

¹This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

Recommendation 3

The Judicial Department should take appropriate action to ensure that the Judicial Information Technology Cash Fund complies with applicable cash funds statutory requirements.

Response

Judicial Department

Agree

Implementation Date: July 2023

The Judicial Department is aware of the increase in the uncommitted reserves balance in the Judicial Information Technology Cash Fund for FY23. The increase is part of a multi-year plan for the Fund to help cover the costs associated with a new Case Management System. This plan has been communicated with and approved by the Joint Budget Committee with a waiver for Fiscal Years 2024 through 2026. Although the Waiver does not cover the FY23 excess balance, the balance is critical for the Case Management System funding plan.

The increase in the Fund balance from FY22 to FY23 is due to two primary factors. First, the Judicial Department was allocated State and Local Federal Recovery Funds (SLFRF) to help cover costs to improve statewide IT infrastructure, including audio-visual equipment, to improve remote court proceedings. These technology improvements are also critical post-pandemic for ensuring continued access to justice through virtual proceedings and appointments. The use of SLFRF funds helped preserve the Information Technology Cash Fund balance to help cover the costs of the

upcoming replacement of the Case Management System. The second factor is related to a change in accounting policy that caused an impact to the balance calculation. The Department wrote off and disposed of various IT assets in FY23. Based on the definition of uncommitted reserves balance, long-term assets credited to the fund are taken out of the balance. The value of these assets went down in FY23 so there was a smaller impact to the balance calculation in FY23 than in FY22.

Department of Local Affairs

As of June 30, 2023, the Department of Local Affairs had three cash funds out of compliance with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$1.7 million.

Building Regulation Fund

Purpose: To collect registration fees charged to installers and sellers of manufactured homes as well as various other fees established by the State Housing Board.

First Year of Required Compliance: Fiscal Year 2003.

Status: Fiscal Year 2023 was the 11th year in total since the Fund’s inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

**Exhibit 2.5
Building Regulation Fund**

Fiscal Year	Amount of Excess
2003-2004 ¹	\$ –
2005	\$550,006
2006	\$931,721
2007	\$1,106,743
2008	\$1,197,489
2009 ¹	\$ –
2010	\$204,546
2011	\$337,518
2012	\$377,677
2013-2015 ¹	\$ –
2016 ²	\$53,275
2017	\$117,864
2018-2021 ¹	\$ –
2022	\$295,150
2023	\$519,221

Source: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2003, through 2023*.

¹ This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

² This fund was not reported with excess uncommitted reserves in the Fiscal Year 2016 Report due to the erroneous omission of the fund in that year.

Private Activity Bond Allocation Fund

Purpose: To collect administrative fees for direct allocations or from entities that receive bonding authority.

First Year of Required Compliance: Fiscal Year 2003.

Status: Fiscal Year 2023 was the 4th year in total since the Fund’s inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

Exhibit 2.6 Private Activity Bond Allocation Fund

Fiscal Year	Amount of Excess
2003-2006 ¹	\$ –
2007	\$41,720
2008	\$90,944
2009-2021 ¹	\$ –
2022	\$186,639
2023	\$175,057

Source: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2003, through 2023*.

¹This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

Mobile Home Park Act Dispute Resolution and Enforcement Fund

Purpose: To collect fees for the purpose of administering the mobile home park act dispute resolution and enforcement program.

First Year of Required Compliance: Fiscal Year 2022.

Status: Fiscal Year 2023 was the 2nd year since the Fund’s inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

Exhibit 2.7 Mobile Home Park Act Dispute Resolution and Enforcement Fund

Fiscal Year	Amount of Excess
2022	\$1,194,430
2023	\$999,866

Source: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Report for the Fiscal Years Ended June 30, 2022, through 2023*.

Recommendation 4

The Department of Local Affairs should take the appropriate action related to its cash funds excess uncommitted reserves including the following:

- A. Ensuring that the Building Regulation Fund complies with applicable cash funds statutory requirements.
- B. Ensuring that the Private Activity Bond Allocation Fund complies with applicable cash funds statutory requirements.
- C. Ensuring that the Mobile Home Park Act Dispute Resolution and Enforcement Fund complies with applicable cash funds statutory requirements.

Response

Department of Local Affairs

- A. Agree
Implementation Date: June 2025

The Department of Local Affairs agrees that the Building Regulation Fund is out of compliance with the statutory reserve requirements. A resolution plan is in place to bring the excess reserves in the fund into compliance by June 2025. The Joint Budget Committee and General Assembly approved the department's budget request for increased operating appropriations for four additional engineers and inspectors for this program for FY 2023-24 and ongoing. In addition, full-year impacts resulting from HB22-1242 Regulate Tiny Homes Manufacture Sale And Install are expected to increase personal services and operating costs associated with this fund and add fee revenues from new customers in FY 2023-24 and ongoing. As a result of these additional expenses and new fee collections, projecting excess uncommitted reserves as of June 2024 or 2025 will remain challenging. The department will continue to monitor fees and expenses and anticipates full compliance will be accomplished by June 2025.

- B. Agree
Implementation Date: June 2024

The Department of Local Affairs agrees that the Private Activity Bond Allocation ("PAB") Fund is out of compliance with the statutory reserve requirements. The department anticipates full compliance by June 2024. However, projecting excess uncommitted reserves for this fund will continue to be difficult as fee revenues for this federally directed program may not be received for up to three years after the program's authorization of private activity bond issuance.

It is difficult for the department to provide PAB fund balance projections due primarily to the carryforward mechanism authorized for state issuing authorities in Section 24-32-1705 (3)(c),

C.R.S.; for local issuing authorities in Section 24-32-1706 (3)(c), C.R.S.; and for statewide balance recipients in Section 24-32-1707 (10), C.R.S. These carryforwards are sanctioned by Section 146 (f)(5) of the Internal Revenue Code of 1986 and are subject to the department's verification that carryforward amounts are available to the requesting bond issuer. Any carryforward amount is in effect for up to three years after which it expires. Carryforward amounts reduce potential fund revenue in the calendar year they are first exercised and then increase PAB fund revenue in the calendar year in which the carryforward amount is utilized for bond issuance. The carryforward mechanism is not controllable by the Department and the issuance of bonds under the carryforward mechanism cannot be denied for the purpose of ensuring compliance with the State's uncommitted reserves restrictions. The authorization of these revenues resulting from carryforwards under federal law may result in excess reserve balances.

C. Agree

Implementation Date: June 2024

The Department of Local Affairs agrees that the Mobile Home Park Act Dispute Resolution and Enforcement Fund is out of compliance with the statutory reserve requirements. A resolution plan is in place to bring the excess reserves in the fund into compliance by June 2024.

This program entered the second full year of operations in FY 2022 and has not yet fully experienced the complete life-cycle for adjudicating complaints and therefore was not yet fully staffed. Also, the General Assembly passed HB23-1257 Mobile Home Park Water Quality adding additional duties to the program funded from this fund. HB23-1257 bill was funded with a General Fund appropriation of \$136,885 for FY 2023-24 that changes to fee-based Cash Funds for FY 2024-25. The department will continue to monitor fees and expenses while fully implementing the revisions to this recently added program and anticipates full compliance will be accomplished by June 2024.

Department of Public Health and Environment

As of June 30, 2023, the Department of Public Health and Environment had six cash funds out of compliance with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$14.4 million.

Vital Records Fund

Purpose: To maintain the vital statistics system.

First Year of Required Compliance: Fiscal Year 2003.

Status: Fiscal Year 2023 was the 5th year in total since the Fund’s inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S. The Fund has been out of compliance for 3 consecutive years and is, therefore, also subject to continuing spending restrictions noted in Section 24-75-402(12), C.R.S.

Exhibit 2.8
Vital Records Fund

Fiscal Year	Amount of Excess
2003-2008 ¹	\$ –
2009	\$28,590
2010	\$271,261
2011-2020 ¹	\$ –
2021	\$663,304
2022	\$963,899
2023	\$1,405,922

Source: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2003, through 2023.*

¹This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

Medical Marijuana Cash Fund

Purpose: To create an identification registry for cardholders and partially offset the costs of administering the medical marijuana program.

First Year of Required Compliance: Fiscal Year 2004.

Status: Fiscal Year 2023 was the 18th year in total since the Fund’s inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S. The Fund has been out of compliance for 5 consecutive years and is, therefore, also subject to continuing spending restrictions noted in Section 24-75-402(12), C.R.S.

Exhibit 2.9
Medical Marijuana Cash Fund

Fiscal Year	Amount of Excess
2004 ²	\$282
2005 ²	\$16,170
2006 ²	\$23,018
2007 ²	\$84,580
2008 ²	\$189,920
2009 ²	\$222,546
2010 ²	\$4,127,911
2011 ²	\$7,321,922
2012	\$11,322,309
2013	\$12,542,567
2014	\$12,977,819
2015	\$1,426,724
2016	\$169,156
2017-2018 ¹	\$ –
2019	\$31,699
2020	\$190,239
2021	\$24,665
2022	\$10,718
2023	\$68,146

Source: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2004, through 2023*.

¹ This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

² This fund was not reported with excess uncommitted reserves for these years due to the Department's improper coding of revenue.

Home Care Agency Cash Fund

Purpose: To collect fees for the administration and enforcement of home healthcare agencies.

First Year of Required Compliance: Fiscal Year 2011.

Status: Fiscal Year 2023 was the 7th year in total since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

Exhibit 2.10
Home Care Agency Cash Fund

Fiscal Year	Amount of Excess
2011	\$24,378
2012	\$254,091
2013	\$12,648
2014-2018 ¹	\$-
2019	\$89,965
2020	\$39,520
2021	\$15,415
2022	\$-
2023	\$77,951

Source: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2011, through 2023*.

¹This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

Health Facilities General Licensure Cash Fund

Purpose: To collect fees to support the licensing and oversight of health care facilities in Colorado including inspections, investigations, and enforcement actions.

First Year of Required Compliance: Fiscal Year 2003.

Status: Fiscal Year 2023 was the 8th year in total since the Fund’s inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

Exhibit 2.11
Health Facilities General Licensure Cash Fund

Fiscal Year	Amount of Excess
2003-2004 ¹	\$-
2005	\$18,703
2006-2007 ¹	\$-
2008	\$122,044
2009	\$130,563
2010	\$102,308
2011	\$391,666
2012 ¹	\$-
2013	\$520,041
2014	\$192,408
2015-2022 ¹	\$-
2023	\$39,016

Source: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2003, through 2023*.

¹This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

Paint Stewardship Cash Fund

Purpose: To collect fees for the purpose of administering the architectural paint stewardship program.

First Year of Required Compliance: Fiscal Year 2017.

Status: Fiscal Year 2023 was the 2nd year since the Fund’s inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

Exhibit 2.12
Paint Stewardship Cash Fund

Fiscal Year	Amount of Excess
2017	\$303,758
2018-2022 ¹	\$ –
2023	\$187,452

Source: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2017, through 2023.*

¹This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) Cash Fund

Purpose: To collect fees to support environmental response programs including regulating and inspecting liquefied petroleum gas and natural gas facilities in an effort to address PFAS contamination in Colorado.

First Year of Required Compliance: Fiscal Year 2023.

Status: Fiscal Year 2023 was the 1st year since the Fund’s inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

Exhibit 2.13
Perfluoroalkyl and Polyfluoroalkyl Substances Cash Fund

Fiscal Year	Amount of Excess
2023	\$12,665,733

Source: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Report for the Fiscal Year Ended June 30, 2023.*

Recommendation 5

The Department of Public Health and Environment should take appropriate action related to its cash funds excess uncommitted reserves including the following:

- A. Immediately addressing the Vital Records Fund's excess uncommitted reserves in order to meet the requirements for the State Controller to release any spending restrictions on the Fund.
- B. Immediately addressing the Medical Marijuana Cash Fund's excess uncommitted reserves in order to meet the requirements for the State Controller to release any spending restrictions on the Fund.
- C. Ensuring that the Home Care Agency Cash Fund complies with applicable cash funds statutory requirements.
- D. Ensuring that the Health Facilities General Licensure Fund complies with applicable cash funds statutory requirements.
- E. Ensuring that the Paint Stewardship Cash Fund complies with applicable cash funds statutory requirements.
- F. Ensuring that the Perfluoroalkyl and Polyfluoroalkyl Substances Cash Fund complies with applicable cash funds statutory requirements.

Response

Department of Public Health and Environment

- A. Agree

Implementation Date: July 2024

Agree. The Department will submit an excess uncommitted reserves cash fund waiver request for the Vital Statistics Records Cash Fund to the Joint Budget Committee. The department will immediately take administrative actions to bring the Fund back into compliance by July 1, 2024 including any necessary legislative budgetary actions. The financial situation in the Vital Records Fund has been extremely volatile due to service and revenue disruptions during the COVID-19 pandemic along with a required large IT Capital replacement project, which have required multi-year legislative budgetary actions to manage.

B. Agree

Implementation Date: July 2024

Agree. The Department shall submit an excess uncommitted reserves cash fund waiver request for the Medical Marijuana Cash Fund to the Joint Budget Committee. The Department will pursue any necessary legislative budgetary action to bring the Fund back into compliance if not obtained as projected in July of 2024.

C. Agree

Implementation Date: July 2025

Agree. The Department shall submit an excess uncommitted reserves cash fund waiver request for the Home Care Agency Cash Fund to the Joint Budget Committee. This Fund has been subject to recent legislative budgetary action that has impacted the Fund's balance and trajectory and the Department will continue to work with the Joint Budget Committee to bring the Fund back into compliance over the near term.

D. Agree

Implementation Date: July 2024

Agree. The department shall submit an excess uncommitted reserves cash fund waiver request for the General Licensure Cash Fund to the Joint Budget Committee. This Fund has been subject to recent legislative budgetary action that has impacted the Fund's balance and trajectory. The department will continue to work with the Joint Budget Committee to bring the Fund back into compliance over the near term.

E. Agree

Implementation Date: July 2024

Agree. The Department shall submit an excess uncommitted reserves cash fund waiver request for the Paint Stewardship Cash Fund to the Joint Budget Committee. The Department will pursue any necessary administrative and legislative budgetary action to bring the Fund back into compliance with the limitations before the end of the three-year period which would require spending restrictions.

F. Agree

Implementation Date: July 2025

Agree. This is the first year the Perfluoroalkyl and Polyfluoroalkyl Substances Cash Fund is subject to the statutory requirements on cash funds as it was created in FY 2020-21. As a newly created program, it is expected that the overall financial conditions of the Fund will be subject to volatility, and the Department intends to come into compliance with the limitations before the

end of the three-year period which would require spending restrictions. The Department will pursue any administrative actions and/or legislative budgetary actions necessary to achieve compliance by July 2025.

Department of Regulatory Agencies

As of June 30, 2023, the Department of Regulatory Agencies had three cash funds out of compliance with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$8.4 million.

Division of Professions and Occupations Cash Fund

Purpose: To collect fees for the purpose of protecting the public through effective licensure and enforcement of professions and occupations.

First Year of Required Compliance: Fiscal Year 2001.

Status: Fiscal Year 2023 was the 10th year in total since the Fund’s inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

Exhibit 2.14
Division of Professions and Occupations Cash Fund

Fiscal Year	Amount of Excess
2001	\$473,453
2002 ¹	\$–
2003	\$761,732
2004 ¹	\$–
2005	\$1,247,399
2006	\$1,503,696
2007-2010 ¹	\$–
2011	\$1,877,326
2012 ¹	\$–
2013	\$637,249
2014	\$379,545
2015-2017 ¹	\$–
2018	\$465,247
2019-2021 ¹	\$–
2022	\$3,882,428
2023	\$7,812,728

Source: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2001, through 2023.*

¹This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

Prescription Drug Monitoring Fund

Purpose: To collect prescription license fees to support the costs of the Division of Professions and Occupations in implementing the Prescription Drug Monitoring Program.

First Year of Required Compliance: Fiscal Year 2007.

Status: Fiscal Year 2023 was the 9th year in total since the Fund’s inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

Exhibit 2.15 Prescription Drug Monitoring Fund

Fiscal Year	Amount of Excess
2007-2008 ¹	\$–
2009	\$129,482
2010	\$69,556
2011	\$120,412
2012 ¹	\$–
2013	\$57,577
2014-2016 ¹	\$–
2017	\$183,608
2018 ¹	\$–
2019	\$480,061
2020	\$174,278
2021	\$62,471
2022 ¹	\$–
2023	\$410,360

Source: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2007, through 2023*.

¹This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

Financial Services Cash Fund

Purpose: To collect fees from financial institutions in order to support the activities of the Division of Financial Services.

First year of required compliance: Fiscal Year 2003.

Status: Fiscal Year 2023 was the 6th year in total since the Fund’s inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

Exhibit 2.16
Financial Services Cash Fund

Fiscal Year	Amount of Excess
2003-2004 ¹	\$-
2005	\$56,229
2006	\$38,158
2007-2010 ¹	\$-
2011	\$168,398
2012	\$155,340
2013-2016 ¹	\$-
2017	\$48,938
2018-2022 ¹	\$-
2023	\$214,042

Source: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2003, through 2023*.

¹This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

Recommendation 6

The Department of Regulatory Agencies should take the appropriate action related to its cash funds excess uncommitted reserves including the following:

- A. Ensuring that the Division of Professions and Occupations Cash Fund complies with applicable cash funds statutory requirements.
- B. Ensuring that the Prescription Drug Monitoring Fund complies with applicable cash funds statutory requirements.
- C. Ensuring that the Financial Services Cash Fund complies with applicable cash funds statutory requirements.

Response

Department of Regulatory Agencies

- A. Agree
 Implementation Date: June 2024

The Department agrees and continually monitors all fund balances for compliance. Immediate action for this fund was taken and various fees were reduced for FY 21-22 and FY 22-23, resulting in fee revenue decreasing from \$31.5 million in FY 21-22 to \$26.6 million, a significant year-over-year revenue decrease, planned in direct response to excess uncommitted reserves. Since that time new developments have made compliance impossible. \$15.4 million in non-fee General Fund transfers were mandated in HB22-1298 and HB22-1299, doubling the reported excess figure (from \$3.8 million to \$7.8 million, many times greater than any prior excess for the

fund), despite a fee revenue reduction of \$4.9 million that in fact exceeded the prior excess figure. C.R.S. 24-75-402(2)(h)(IV) defines “Uncommitted reserves” as “the fund balance of a cash fund as of June 30 of any fiscal year, minus the following: (IV) Any portion of the revenues credited to the cash fund that is estimated to be derived from non-fee sources.” Because this amount is a known actual and is not fully subtracted from uncommitted reserves or from the fund balance of the cash fund as of June 30, the Department believes the reporting methodology is potentially inconsistent with statute leading directly to this artificially large excess. This moving target results in the Department’s inability to comply and will lead to significant budget consequences. The Department is therefore pursuing a waiver with the Joint Budget Committee.

Auditor’s Addendum

The provisions in Section 24-75-402 (2), C.R.S., do not allow the Office of the State Controller to remove the actual amount of General Fund transfers from the uncommitted reserve balance in the cash funds excess uncommitted reserves calculation. The calculation of the cash fund’s uncommitted reserve included a reduction to account for any portion of the balance that was derived from non-fee sources in accordance with Section 24-75-402(2)(h)(IV), C.R.S. Specifically, the ratio of fee revenue to total revenue was 62 percent and the OSC then multiplied this percentage by the fund’s fund balance, which resulted in the amount of the fund’s uncommitted reserve. Therefore, the uncommitted reserve and excess uncommitted reserve balances as of June 30, 2023, are calculated correctly. The Department should ensure compliance with the cash funds requirements, which may include seeking a waiver from the Joint Budget Committee.

B. Agree

Implementation Date: June 2024

The Department agrees with the recommendation and continually monitors all fund balances for compliance with Senate Bill 98-194’s limitations on excess uncommitted reserves. Due to the fund's renewal cycles for prescriptive authority licensees, this fund routinely encounters high renewal volume and low renewal volume in alternating years. However, HB22-1115 mandated a \$2 million non-fee General Fund transfer in FY 22-23. This transfer has resulted in an increase in the reportable excess balance from \$83,807 to \$410,360. As discussed in Recommendation 6.A above, it is the Department's opinion that these types of transfers should be exempt from excess uncommitted reserves calculations per C.R.S. 24-75-402(2)(h)(IV). Given the General Fund transfer’s specific purpose and related uncertainties surrounding the Department’s ability to spend and/or return the transferred funds, the Department cannot predict or target future compliance with any degree of certainty and will therefore pursue a waiver with the Joint Budget Committee.

Auditor’s Addendum

The provisions in Section 24-75-402 (2), C.R.S., do not allow the Office of the State Controller to remove the actual amount of General Fund transfers from the uncommitted reserve balance

in the cash funds excess uncommitted reserves calculation. The calculation of the cash fund's uncommitted reserve included a reduction to account for any portion of the balance that was derived from non-fee sources in accordance with Section 24-75-402(2)(h)(IV), C.R.S. Specifically, the ratio of fee revenue to total revenue was 24 percent and the OSC then multiplied by the percentage by the fund's fund balance, which resulted in the amount of the fund's uncommitted reserve. Therefore, the uncommitted reserve and excess uncommitted reserve balances as of June 30, 2023, are calculated correctly. The Department should ensure compliance with the cash funds requirements, which may include seeking a waiver from the Joint Budget Committee.

C. Agree

Implementation Date: June 2024

The Department agrees with the recommendation and continually monitors all fund balances for compliance with Senate Bill 98-194's limitations on excess uncommitted reserves. The Department has taken action to reduce biennial assessments to institutions regulated by the Division, and compliance is expected in June 2024.

Department of Revenue

As of June 30, 2023, the Department of Revenue had two cash funds out of compliance with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$10.0 million.

Liquor Enforcement Division & State Licensing Authority Fund

Purpose: To collect fees for the purpose of licensing and enforcing Colorado liquor laws.

First Year of Required Compliance: Fiscal Year 2003.

Status: Fiscal Year 2023 was the 11th year in total since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

Exhibit 2.17**Liquor Enforcement Division & State Licensing Authority Fund**

Fiscal Year	Amount of Excess
2003–2007 ¹	\$ –
2008	\$210,305
2009	\$358,335
2010	\$455,866
2011	\$482,663
2012	\$520,137
2013	\$581,702
2014	\$704,503
2015	\$333,340
2016–2017 ¹	\$–
2018	\$895,416
2019	\$71,334
2020-2022 ¹	\$–
2023	\$635,586

Source: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2003, through 2023*.

¹This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

Colorado DRIVES Fund

Purpose: To collect fees for the purpose of developing, operating, and managing a statewide driver license system referred to as Colorado DRIVES.

First Year of Required Compliance: Fiscal Year 2022.

Status: Fiscal Year 2023 was the 1st year since the Fund’s inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

Exhibit 2.18**Colorado DRIVES Fund**

Fiscal Year	Amount of Excess
2022 ¹	\$ –
2023	\$9,360,224

Source: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2022 through 2023*.

¹This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

Recommendation 7

The Department of Revenue should take the appropriate action related to its cash funds excess uncommitted reserves including the following:

- A. Ensuring that the Liquor Enforcement Division & State Licensing Authority Fund complies with applicable cash funds statutory requirements.
- B. Ensuring that the Colorado DRIVES Fund complies with applicable cash funds statutory requirements.

Response

Department of Revenue

- A. Agree

Implementation Date: June 2024

The Liquor Enforcement Division had a 26 percent vacancy rate in Fiscal Year 2022-23. The division has experienced the same retention and hiring difficulties the past two fiscal years as many other departments and industries have also encountered. These vacancies led to an underspend in personal services and the excess cash fund balance. The division is focusing on hiring in the current fiscal year and is diligently working to hire additional personnel. The division will continue to monitor and evaluate fee revenue and cash fund balance health to ensure compliance.

- B. Agree

Implementation Date: June 2025

In FY 2022-23, the Colorado Legislature approved the consolidation of the two Division of Motor Vehicles cash funds. The Licensing Services Cash Fund was merged with the DRIVES Cash Fund via HB22-1339. This consolidation resulted in a one-time transfer of \$13.3 million from the License Services Cash Fund to the DRIVES Cash Fund which created the excess uncommitted reserves in the DRIVES Cash Fund. The division projects significantly more expenditures than revenue in the DRIVES Cash Fund for the future fiscal years, but this spend down of the cash fund balance to become compliant will take longer than one year so the Department will also submit a request to the Joint Budget Committee to waive the reserve requirement while the cash fund balance comes into compliance.



**Cash Funds Uncommitted
Reserves Report for the
Fiscal Year Ended
June 30, 2023**

State of Colorado
Cash Funds Uncommitted Reserves Report
Report of Funds with Uncommitted Reserves Greater Than \$200,000
Fiscal Year 2023 as of June 30, 2023

Fund	Fund Balance (Note 4) ¹	Exempt Assets (Note 5)	Capital Reserve (Note 6)	Previously Appropriated Fund Balance (Note 7)	Fee Revenue (Note 8)
Department of Agriculture					
Agricultural Products Inspection Fund	\$247,357	\$0	\$0	\$0	\$2,303,783
Inspection and Consumer Services Cash Fund	1,886,267	-	10,517	-	3,529,355
Plant Health, Pest Control and Environmental Protection Fund	3,366,822	-	17,062	-	6,189,977
Subtotal	5,500,446	-	27,579	-	12,023,115
Department of Early Childhood					
Child Care Licensing Cash Fund	344,020	-	-	-	2,069,572
Records and Reports Fund	816,487	-	-	-	1,425,463
Subtotal	1,160,507	-	-	-	3,495,035
Office of the Governor					
Travel and Tourism Additional Sources Fund	357,046	-	-	-	432,092
Subtotal	357,046	-	-	-	432,092
Health Care Policy & Financing					
Medicaid Nursing Facility Cash Fund	1,018,773	-	-	-	53,153,437
Department of Higher Education					
Private Occupational Schools Fund	218,600	-	-	-	1,375,960
Judicial Branch					
Judicial Information Technology Cash Fund	20,968,959	2,940,629	866,872	-	29,265,659
Labor and Employment					
Boiler Inspection Fund	226,204	-	-	-	1,503,930
Conveyance Safety Fund	937,709	-	-	-	689,074
Subtotal	1,163,913	-	-	-	2,193,004
Local Affairs					
Moffat Tunnel Cash Fund	266,082	-	-	-	29,659
Building Regulation Fund	764,974	-	-	-	1,339,728
Private Activity Bond Allocation Fund	201,893	-	-	-	154,409
Mobile Home Park Act Dispute Resolution and Enforcement	1,288,039	-	-	-	1,125,820
Subtotal	2,520,988	-	-	-	2,649,616
Personnel and Administration					
Property Fund	9,668,076	-	-	-	4,936,352
Public Health and Environment					
Vital Records Fund	2,040,971	-	-	-	4,157,761
Medical Marijuana Cash Fund	399,799	-	-	-	2,015,351
Home Care Agency Cash Fund	267,171	-	-	-	1,332,306
Health Facilities General Licensure Cash Fund	910,725	-	-	-	1,678,935
Paint Stewardship Cash Fund	205,490	-	-	-	120,000
Perfluoroalkyl and Polyfluoroalkyl Substances Cash Fund	13,999,910	(513)	-	-	7,786,087
Subtotal	17,824,066	(513)	-	-	17,090,440
Public Safety					
Public School Construction and Inspection Fund	617,798	-	-	-	2,858,174
Health Facility Construction and Inspection Fund	595,349	-	-	-	1,992,259
Subtotal	1,213,147	-	-	-	4,850,433
Regulatory Agencies					
Public Utilities Commission Fixed Utility Fund	2,329,641	56,491	-	-	15,823,285
Division of Professions and Occupations Cash Fund	20,840,952	-	-	-	26,620,667
Prescription Drug Monitoring Fund	2,524,880	-	-	-	834,539
Disabled Telephone Users Fund	677,434	-	-	-	4,342,272
Real Estate Cash Fund	471,372	-	-	-	6,088,991
Public Deposit Administration Fund	434,833	-	-	-	5,987,646
Financial Services Cash Fund	551,067	-	-	-	2,535,764
Subtotal	27,830,179	56,491	-	-	62,233,164
Revenue					
Marijuana Tax Cash Fund	140,059,941	-	-	-	251,637
Racing Cash Fund	242,719	2,202	-	-	1,833,443
Auto Dealers License Fund	652,263	8,021	-	-	3,625,047
Liquor Enforcement Division & State Licensing Authority	1,704,529	10,339	-	-	5,884,205
Colorado DRIVES Fund	38,156,628	251,364	-	-	42,324,738
Sports Betting Fund	25,454,129	16,356	-	-	2,262,254
Subtotal	206,270,209	288,282	-	-	56,181,324
Department of State					
Department of State Cash Fund	6,556,011	987,071	-	-	21,393,475
Grand Total	\$302,270,920	\$4,271,960	\$894,451	\$0	\$271,273,106

¹ Note numbers in column headings refer to the Notes to the Cash Funds Uncommitted Reserves Report beginning on Page 44, prepared by the Office of the State Controller.
Source: Office of the State Controller.

Total Revenue	Total Expense	Non-Fee Fund Balance (Note 9)	Uncommitted Reserve (Note 10)	Maximum Reserve (Note 11)	Alternative Maximum Reserve (Note 12)	Excess Uncommitted Reserve (Note 13)
\$2,520,498	\$2,478,471	\$21,268	\$226,089	\$408,948	\$0	\$0
3,709,998	3,781,909	91,332	1,784,418	624,015	1,890,955	-
6,436,170	6,504,354	128,133	3,221,627	1,073,218	3,252,177	-
12,666,666	12,764,734	240,733	5,232,134	2,106,181	5,143,132	-
1,855,616	1,511,596	(39,666)	383,686	249,413	-	134,273
1,453,110	636,624	15,535	800,952	105,043	-	695,909
3,308,726	2,148,220	(24,131)	1,184,638	354,456	-	830,182
476,835	211,047	33,503	323,543	34,823	-	288,720
476,835	211,047	33,503	323,543	34,823	-	288,720
53,222,462	53,317,236	1,321	1,017,452	8,797,344	-	-
1,375,960	1,412,538	-	218,600	233,069	-	-
29,981,033	24,011,669	409,488	16,751,970	3,961,925	-	12,790,045
1,517,678	1,687,712	2,049	224,155	278,472	-	-
750,471	922,427	76,715	860,994	152,200	1,500,000	-
2,268,149	2,610,139	78,764	1,085,149	430,672	1,500,000	-
36,435	104	49,485	216,597	17	400,000	-
1,437,663	1,173,586	52,111	712,863	193,642	-	519,221
154,409	162,642	-	201,893	26,836	-	175,057
1,194,604	1,297,026	74,164	1,213,875	214,009	-	999,866
2,823,111	2,633,358	175,760	2,345,228	434,504	400,000	1,694,144
16,605,428	19,689,512	6,794,014	2,874,062	3,248,769	-	-
4,207,612	3,702,228	24,181	2,016,790	610,868	-	1,405,922
2,028,379	1,994,456	2,568	397,231	329,085	-	68,146
1,332,306	1,146,789	-	267,171	189,220	-	77,951
3,331,935	2,544,794	451,818	458,907	419,891	-	39,016
120,000	109,319	-	205,490	18,038	-	187,452
8,129,073	4,508,950	590,713	13,409,710	743,977	-	12,665,733
19,149,305	14,006,536	1,069,280	16,755,299	2,311,079	-	14,444,220
2,875,216	2,601,028	3,662	614,136	429,170	1,040,411	-
2,528,081	2,326,061	126,183	469,166	383,800	697,818	-
5,403,297	4,927,089	129,845	1,083,302	812,970	1,738,229	-
17,509,323	20,526,558	218,890	2,054,260	3,386,882	-	-
42,914,033	31,002,696	7,912,779	12,928,173	5,115,445	-	7,812,728
3,483,150	1,179,294	1,919,936	604,944	194,584	-	410,360
4,378,135	4,330,730	5,549	671,885	714,570	-	-
6,509,131	7,319,594	30,425	440,947	1,207,733	-	-
6,040,031	6,271,655	3,771	431,062	1,034,823	-	-
2,560,881	2,009,816	5,405	545,662	331,620	-	214,042
83,394,684	72,640,343	10,096,755	17,676,933	11,985,657	-	8,437,130
152,273,991	141,257,201	139,828,488	231,453	23,307,438	-	-
1,833,443	1,814,010	-	240,517	299,312	-	-
3,625,047	4,270,790	-	644,242	704,680	-	-
5,884,205	6,415,781	-	1,694,190	1,058,604	-	635,586
80,783,933	63,632,116	18,045,741	19,859,523	10,499,299	-	9,360,224
28,530,914	15,330,779	23,420,778	2,016,995	2,529,579	-	-
272,931,533	232,720,677	181,295,007	24,686,920	38,398,912	-	9,995,810
32,585,569	31,000,195	1,912,752	3,656,188	5,115,032	5,196,621	-
\$536,192,758	\$474,093,293	\$202,213,091	\$94,891,418	\$78,225,393	\$13,977,982	\$48,480,251



**Notes to the Cash Funds
Uncommitted Reserves Report**

Note 1. Purpose

Section 24-30-207, Colorado Revised Statutes (C.R.S.), requires the State Controller to prepare the Cash Funds Uncommitted Reserves Report showing the amount of uncommitted reserves credited to each of the State of Colorado's cash funds. Fund definitions within this report are based on GAAP definitions, rather than the statutory definition of any particular fund. This report will be audited annually by the State Auditor. The report is to be delivered to the Office of State Planning and Budgeting and to the Joint Budget Committee on or before September 20 of each year.

Note 2. Cash Fund Defined

Section 24-75-402(2)(b) C.R.S. defines "cash fund" to mean any fund that is established by law for a specific program or purpose and that includes money from fees; except that "cash fund" excludes the state general fund, any federal fund, and any fund used by a state institution of higher education.

Note 3. Cash Funds Excluded

The following cash funds are specifically excluded from the cash funds uncommitted reserves report. If applicable, the repeal date or waiver expiration date for the exclusion of the fund is listed in parentheses.

- Any cash fund for which revenue is derived solely from fees, the amounts of which are established by the federal government;
- Any cash fund for which revenue is derived solely from fees set by the Colorado Supreme Court in the exercise of its exclusive authority to regulate the practice of law;
- Any cash fund for which revenue is derived solely from fees set by an enterprise, as defined in Section 24-77-102(3), C.R.S., or a special purpose authority;
- Any cash fund that is established to fund capital construction;
- Any cash fund for which the reserve amounts are based on actuarial requirements;
- Any trust fund;
- Any cash fund with uncommitted reserves of less than \$200,000;
- The Highway Users' Tax Fund;
- The State Highway Fund;

Source: Notes prepared by the Office of the State Controller

- The Petroleum Storage Tank Fund;
- The Brand Inspection Fund;
- The Worker’s Compensation Cash Fund;
- The Emergency Fire Fund;
- The Wildland Fire Equipment Repair Cash Fund;
- The Wildland Fire Cost Recovery Fund;
- The Wildfire Emergency Response Fund;
- The Wildfire Preparedness Fund;
- The Colorado Firefighting Air Corps Fund;
- The Enterprise Services Cash Fund;
- The Oil and Gas Conservation and Environmental Response Fund;
- The Cybersecurity Cash Fund;
- The Governor’s Mansion Maintenance Fund;
- The Justice Center Cash Fund;
- The Justice Center Maintenance Fund;
- The Small Business Recovery Fund;
- The Emergency Invasive-Pest Response Fund;
- The Community Behavioral Health Disaster Preparedness and Response Cash Fund;
- The Community Impact Cash Fund;
- The 988 Crisis Hotline Cash Fund;
- The Commission on Judicial Discipline Special Cash Fund;
- The Regional Navigation Campus Cash Fund;
- The Geothermal Energy Grant Fund;
- The Commission on Judicial Discipline Special Cash Fund;
- The Disability Support Fund;

Source: Notes prepared by the Office of the State Controller

- The Responsible Gaming Grant Program Cash Fund;
- The Wage Theft Enforcement Fund;
- The Wildfire Resiliency Code Board Cash Fund;
- The Industrial Hemp Registration Program Cash Fund (7/1/2023);
- The Educator Licensure Cash Fund (7/1/2023);
- The Assisted Living Residence Cash Fund (7/1/2023);
- The Radiation Control Fund (7/1/2023);
- The School Safety Resource Cash Fund (7/1/2023);
- The Hazardous Substances Response Fund (7/1/2023);
- The Newborn Screening and Genetics Counseling Cash Fund (7/1/2023);
- The Instant Criminal Background Check Cash Fund (7/1/2024);
- The Supplier Database Cash Fund (7/1/2024);
- The CBI Identification Unit Fund (7/1/2024);
- The Wage Theft Enforcement Fund (7/1/25) and
- Any cash fund used to fund a single program if the program has been in existence less than two full fiscal years.

HB17-1119 provided for an exemption from Section 24-75-402, C.R.S. for the Colorado Uninsured Employer Fund (created in Section 8-67-105, C.R.S.). This exclusion is not included in Section 24-75-402, C.R.S, but it was determined that based on the specific language in the bill, the intent of the legislation was to exclude the fund from the Cash Funds Uncommitted Reserves Report as a permanent exclusion.

Note 4. Fund Balance

Fund balance is the net of total assets and total liabilities in each fund as of June 30, 2023. This amount does not include net assets related to pension liabilities.

Source: Notes prepared by the Office of the State Controller

Note 5. Exempt Assets

Exempt assets are any long-term assets or non-monetary current assets held by the fund at June 30, 2023. "Non-monetary" current assets are those that either cannot be converted to cash or are held with the intent of being used rather than converted to cash, including but not limited to consumable inventory and prepaid expenses.

Note 6. Capital Reserve

The capital reserve is the amount equal to the depreciation of depreciable components of a capital outlay or capital construction, where a cash fund has been appropriated moneys for capital purposes.

Note 7. Previously Appropriated Fund Balance

Previously appropriated fund balance is that portion of fund balance that has been appropriated for capital construction or other multi-year purposes.

Note 8. Fee Revenue

Fee revenue means any moneys collected by an entity, except that fee revenue does not include:

- Any moneys collected from sources excluded from state fiscal year spending, as defined in Section 24-77-102(17), C.R.S.;
- Any moneys received through the imposition of penalties or fines or surcharges imposed on any person convicted of a crime;
- Any moneys appropriated from the state general fund;
- Any moneys received through the imposition of taxes;
- Any moneys received from charges or assessments, the amount of which are not determined by the entity;
- Any moneys received from gifts or donations;
- Any moneys received from local government grants or contracts;
- Any moneys received through direct transfers from another entity, an enterprise, or a special purpose authority; or
- Any moneys received as interest or other investment income.

Note 9. Non-Fee Fund Balance

Non-fee fund balance is calculated by subtracting any exempt assets, capital reserve, and previously appropriated fund balance from total fund balance and multiplying the result times the ratio of non-fee revenue to total revenue.

Note 10. Uncommitted Reserve

Uncommitted reserve is calculated by subtracting any exempt assets, capital reserve, and previously appropriated fund balance from total fund balance and multiplying the result by the ratio of fee revenue to total revenue.

Note 11. Maximum Reserve

Maximum reserve is calculated as 16.5 percent of Fiscal Year 2023 expenditures of the cash fund.

Note 12. Alternative Maximum Reserve

In some cases, an alternative maximum reserve is used in place of a maximum reserve when there is a reserve limit established by statute or by waiver approved by the Joint Budget Committee.

Note 13. Excess Uncommitted Reserve

Excess uncommitted reserve is the amount by which the uncommitted reserve exceeds the alternative maximum reserve (if provided) or the maximum reserve of the cash fund.

Appendix A

Descriptions of Cash Funds

These cash funds are included on the *Cash Funds Uncommitted Reserves Report* (pages 40 and 41) for the Fiscal Year Ended June 30, 2023, prepared by the Office of the State Controller.

Department of Agriculture

Agricultural Products Inspection Fund This fund is used to record fees related to the inspection and certification of fruits, vegetables, and other agricultural products.

Inspection and Consumer Services Cash Fund This fund is used to record activity related to the administration of several inspection and consumer service programs. The Department charges fees to inspect and register certain agricultural activity to increase consumer safety.

Plant Health, Pest Control and Environmental Protection Fund This fund is used to record activity related to the implementation, administration, and enforcement of environmental provisions including, but not limited to: biological pest control, bee inspection efforts, ground water protection efforts, and pesticide applicator license and inspection efforts. The Department charges fees, fines, and penalties to ensure environmental protection.

Department of Early Childhood

Child Care Licensing Cash Fund This fund is used to collect fees from childcare licensing applications, reapplications, and renewals. All funds collected from these fees are used in the operation of child care licensing activities.

Records and Reports Fund This fund is used to record activity related to background checks conducted on people working with children. The funds collected are used to support the direct and indirect costs of conducting the background checks.

Office of the Governor

Travel and Tourism Additional Sources Fund This fund is used to record activity related to the Colorado Tourism Offices' efforts to promote the state's travel and tourism industry, which includes the production, fulfillment, and distribution of the state's Travel Resource Guide, the management of the Colorado Dark Skies Program and the purchase of software solutions for the Governor's Tourism Conference (GovCon). Fees are collected from the sale of advertising on the www.colorado.com website and through the Colorado Visitors Guide.

Department of Health Care Policy & Financing

Medicaid Nursing
Facility Cash Fund

This fund is used to record activity related to the administration of the State's Medicaid program. The Department charges daily fees to Medicaid nursing facilities for non-Medicare resident patients and uses the revenue to provide nursing and other services to Medicaid patients in nursing facilities. These expenditures increase the federal reimbursement amount for the State under the Medicaid program.

Department of Higher Education

Private Occupational Schools
Fund

This fund is used to record activity related to the State's oversight of private occupational schools. Fees are charged for student registrations and assessments, institutional applications, course reviews, agent fees, and changes in school ownership, location, or name.

Judicial Department

Judicial Information
Technology Cash Fund

This fund is used to record fees assessed by the Department on electronic document filings, court database and record searches, and access to the court case management system (ICON/Eclipse). The Department uses this revenue to replace hardware and maintain the network on which the e-filing and public access programs operate.

Department of Labor and Employment

Boiler Inspection Fund

This fund is used to record fees received from license and inspection of boilers and other pressure vessels. The Department uses this revenue to ensure boilers used in the State meet safety requirements. The Department charges fees to inspect and control the design, construction, operation, maintenance, and repair of boilers and other pressure vessels.

Conveyance Safety
Fund

This fund is used to record fees used to increase the safety of public conveyance systems in the State. The Department charges fees to conveyance owners for registration, construction permits, and inspection certificates. It also charges fees for licensure of industry professionals.

Department of Local Affairs

Moffat Tunnel Cash
Fund

This fund is used to record activity related to annual lease revenues for the facilitation of transportation between the eastern and western portions of the state through operation and maintenance of the Moffat tunnel.

Building Regulation
Fund

This fund is used to collect registration fees charged to installers and sellers of manufactured homes as well as various other fees established by the State Housing Board. Funds are used to inspect factory built (modular) housing, commercial structures, and manufactured homes to ensure the health and safety of Colorado residents who purchase these units.

Private Activity Bond Allocation Fund This fund is used to collect administrative fees for direct allocations, or from entities that receive bonding authority.

Mobile Home Park Act Dispute Resolution and Enforcement This fund is used to record activity related to the collection of registration fees from mobile home park landlords for dispute resolution between mobile home owners and mobile home park landlords, and determining whether violations of the law occurred and taking enforcement actions.

Department of Personnel and Administration

Property Fund This fund is used to collect premiums from state agencies to provide insurance coverage for loss or damage to state property.

Department of Public Health and Environment

Vital Records Fund This fund was established in the Vital Statistics Act of 1984 to receive fees collected by the Office of the State Registrar. Fees collected for certified copies of birth and death certificates, marriage licenses, decrees of divorce, etc.

Medical Marijuana Cash Fund This fund is used to record activity related to the Department's administration of the State's medical marijuana program. The Department charges fees to growers, sellers, and patients. The Department uses the revenue to ensure patients suffering from legitimate debilitating medical conditions are able to safely gain access to medical marijuana.

Home Care Agency Fund This fund is used to record activity related to the Department's oversight of home care agencies in the State. The Department charges fees for licensure of certified providers.

Health Facilities General Licensure Cash Fund This fund is used to record activity related to the Department's oversight of health facilities in the State of Colorado. The fund is used to cover the costs associated with the licensing and regulation of health facilities, including inspections, investigations, and enforcement actions. The Department charges fees for health facility building and structure code plan reviews and inspections, remodeling plan reviews and on-site reviews, and license applications and renewals.

Paint Stewardship Cash Fund This fund is used to record activity for administering the paint stewardship program including fees charged to retailers and distributors for collection sites, reuse or processing of postconsumer architectural paint, and transportation, recycling, and proper disposal of postconsumer architectural paint.

Perfluoroalkyl and Polyfluoroalkyl Substances Cash Fund	This fund is used to record activity related to the perfluoroalkyl and polyfluoroalkyl (PFAS) substances grant program, substances takeback program, and provides technical assistance in locating and studying PFAS substances to communities, stakeholders, and regulatory boards or commissions. Fees collected from the transportation of fuel products delivered for sale or use in Colorado, provide funding for environmental response programs, regulation and inspection of liquefied petroleum gas and natural gas facilities, and efforts to address PFAS contamination in Colorado.
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Department of Public Safety

Public School Construction and Inspection Fund	This fund is used to record activity related to the construction and inspection of public schools. The Department charges permit fees for new school construction projects, and periodic inspection fees of construction operations.
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Health Facility Construction and Inspection Fund	This fund is used to record activity related to the Department’s inspection of health facilities as well as their construction. The Department charges fees to plan and execute reviews and inspections of health facilities during and after their construction.
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Department of Regulatory Agencies

Public Utilities Commission Fixed Utility Fund	This fund is used to provide supervision and regulation of the public utilities operating under the Department’s Office of Consumer Counsel. The Department charges annual assessments against fixed utilities proportional to public utility company’s gross intrastate operating revenue.
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Division of Professions and Occupations Cash Fund	This fund is used to record activity related to the issuance and renewal of occupational licenses for numerous separate professional boards and programs, such as the Accountancy Board, Dental Board, and Plumbers Board. The various boards charge fees to professionals for obtaining and maintaining licensure to perform certain activities in the State.
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Prescription Drug Monitoring Fund	This fund is used to record activity related to the Department’s Division of Professions and Occupations’ implementation of the Prescription Drug Monitoring Program. The Department charges assessments to licensees who have medical prescriptive authority.
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Disabled Telephone Users Fund	This fund is used to record activity related to the Department’s telephone relay service for disabled telephone users. The Department charges per month per access line surcharge fees to all business and residential telephone customers. The Department is now applying the fee to wireless customers.
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Real Estate Cash Fund	This fund is used to record activity related to the Department’s regulation of real estate practitioners. The Department charges application and renewal fees for real estate brokers and appraisers.
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Public Deposit Administration Fund This fund is used to record activity related to the Department’s Division of Banking and its mission to serve and protect the public interest by promoting a safe financial institutions industry through continuous quality regulation and supervision. The Department charges assessments to financial institutions and various fees as authorized by statute, including charter applications, money transmitter licenses, change fees, and miscellaneous minor fees.

Financial Services Cash Fund This fund is used to support the costs of the Division of Financial Services and its mission, which is to serve and protect the public interest by promoting a safe and sound financial institutions industry through continuous quality regulation and supervision. The fund is supported by assessments to financial institutions based on assets. Fees are adjusted biennially.

Department of Revenue

Marijuana Tax Cash Fund This fund is used to record activity related to the collection of sales tax revenue from retail and medical marijuana sales.

Racing Cash Fund This fund is used to record fees for occupational licenses and business licenses and from racetracks for racetrack meet licenses. Monies used for the promotion of racing, establishment of high standards of sport and fair play, and promotion of the health and safety of the animals involved in racing events.

Auto Dealers License Fund This fund is used to record activity related to the Department’s oversight of the Motor Vehicle Dealer Board. The Department charges fees for the licensing of motor vehicle dealers, wholesalers, buyer agents, and salespersons.

Liquor Enforcement Division & State Licensing Authority This fund is used to record activity related to the Department’s oversight of liquor manufacturers and distributors including enforcement actions to comply with the liquor code and to support law enforcement. Fees include licensing and permit fees received from manufacturers, distributors, wholesalers, and retailers of liquor.

Colorado DRIVES Fund This fund is used to record activity related to the development and operation of Colorado DRIVES, the state’s driver and motor vehicle services software platform. Various fees are collected from motor vehicle titling and registrations.

Sports Betting Fund This fund is used to record monies collected related to sports betting activities. The State imposes a 10 percent tax on the net sports betting proceeds reported by operators. Revenue generated from sports betting taxes is distributed to beneficiaries including entities that can demonstrate revenue loss attributable to sports betting, the Department of Human Services, and the Water Plan Implementation Cash Fund.

Department of State

Department of State Cash Fund This fund is used to record activity related to the operation of the Department of State. The Department charges fees for filing articles of incorporation, issuing official certificates, and making official copies of documents.



Appendix B



Cash Funds Uncommitted Reserves Report for the Fiscal Year Ended June 30, 2023

All Funds

The *Cash Funds Uncommitted Reserves Report* (pages 40 and 41) prepared by the Office of the State Controller does not include funds that have an uncommitted reserves balance of less than \$200,000. The following report includes all of the cash funds with fee revenue and uncommitted reserve balances at June 30, 2023, greater than zero.

State of Colorado
Cash Funds Uncommitted Reserves Report
Report of Funds with Uncommitted Reserves and Fee Revenue Greater than \$0
Fiscal Year 2023 as of June 30, 2023

Fund	Fund Balance (Note 4) ¹	Exempt Assets (Note 5)	Capital Reserve (Note 6)	Previously Appropriated Fund Balance (Note 7)
Department of Agriculture				
Agricultural Products Inspection Fund	\$247,357	\$0	\$0	\$0
Veterinary Vaccine and Service Fund	34,777	-	-	-
Inspection and Consumer Services Cash Fund	1,886,267	-	10,517	-
Dangerous Dog Fund	24,666	-	-	-
Wine Development Fund	516,693	-	-	-
Plant Health, Pest Control and Environmental Protection Fund	3,366,822	-	17,062	-
Colorado Aquaculture Fund	8,249	-	-	-
Pet Animal Care and Facility Fund	121,460	-	-	-
Subtotal	6,206,291	-	27,579	-
Department of Corrections				
Correctional Education Program Fund	172,996	-	-	-
Department of Early Childhood				
Child Care Licensing Cash Fund	344,020	-	-	-
Records and Reports Fund	816,487	-	-	-
Subtotal	1,160,507	-	-	-
Department of Education				
Other Education Special Revenue Funds	3,606,718	19,230	-	-
Office of the Governor				
Donations - Governor's Office	2,770,938	-	-	-
Travel and Tourism Promotion Fund	16,454,701	719,493	-	-
Travel and Tourism Additional Sources Fund	357,046	-	-	-
Creative Industries Cash Fund	2,618,595	51,696	-	-
Broadband Fund	92,506	-	-	-
Creative District Community Loan Fund	31,316	-	-	-
Subtotal	22,325,102	771,189	-	-
Department of Health Care Policy and Financing				
Children's Basic Health Plan Trust	4,444,785	-	-	-
Medicaid Buy-In Cash Fund	91,384	-	-	-
Service Fee Fund	50,389	-	-	-
Medicaid Nursing Facility Cash Fund	1,018,773	-	-	-
Department of Health Care Policy and Financing Cash Fund	192,435	-	-	-
Subtotal	5,797,766	-	-	-
Department of Higher Education				
Private Occupational Schools Fund	218,600	-	-	-
History Colorado Unrestricted Donations	855,134	-	-	-
Subtotal	1,073,734	-	-	-
Department of Human Services				
Controlled Substance Program Fund	70,700	-	-	-
Records and Reports Fund	17,098	-	-	-
Food Distribution Program Service Fund	616,524	-	-	-
Work Therapy Cash Fund	198,934	21,849	13,117	-
Peer Support Professional Workforce Cash Fund	600	-	-	-
Subtotal	903,856	21,849	13,117	-
Judicial Branch				
Judicial Performance Cash Fund	968,929	-	-	-
Judicial Information Technology Cash Fund	20,968,959	2,940,629	866,872	-
Judicial Collection Enhancement Fund	2,804,913	-	-	-
Mediation Cash Fund	75,449	-	-	-
Other Judicial Special Revenue Funds	220,279	2,248	-	-
Subtotal	25,038,529	2,942,877	866,872	-
Department of Labor and Employment				
Boiler Inspection Fund	226,204	-	-	-
Conveyance Safety Fund	937,709	-	-	-
Workmens' Compensation Self-Insurance Fund	168,877	-	-	-
Public Safety Inspection Fund	175,709	-	-	-
Liquefied Petroleum Gas Inspection Fund	137,430	-	-	-
Employment Support Fund	63,421,022	93,083	-	-
Physicians Accreditation Program Fund	188,547	-	-	-
Subtotal	65,255,498	93,083	-	-
Department of Law				
Collection Agency Cash Fund	191,961	-	99,470	-
Uniform Consumer Credit Code Cash Fund	383,631	-	184,986	-
Student Loan Ombudsperson and Loan Servicer Licensing Fund	206,033	-	6,744	-
Insurance Fraud Cash Fund	298,910	8,682	185,898	-
P.O.S.T. Board Cash Fund	1,022,573	393,352	124,692	-
Subtotal	2,103,108	402,034	601,790	-
Legislative Branch				
Legislative Department Cash	21,050,965	13,636	-	-
Other Legislature Special Revenue Funds	37,673	0	-	-
Subtotal	21,088,638	13,636	-	-
Department of Local Affairs				
Building Regulation Fund	764,974	-	-	-
Local Government Severance Tax Fund	283,754,857	645,208	-	-
Private Activity Bond Allocation Fund	201,893	-	-	-
Housing Development Grant Fund	191,220,996	33,040,830	-	-
Mobile Home Park Act Dispute Resolution and Enforcement	1,288,039	-	-	-
Subtotal	477,230,759	33,686,038	-	-

¹ Note numbers in column headings refer to the Notes to the Cash Funds Uncommitted Reserves Report beginning on Page 44, prepared by the Office of the State Controller.
Source: Office of the State Controller.

Fee Revenue (Note 8)	Total Revenue	Total Expense	Non-Fee Fund Balance (Note 9)	Uncommitted Reserve (Note 10)	Maximum Reserve (Note 11)	Alternative Maximum Reserve (Note 12)	Excess Uncommitted Reserve (Note 13)
\$2,303,783	\$2,520,498	\$2,478,471	\$21,268	\$226,089	\$408,948	\$0	\$0
297,434	297,434	292,934	-	34,777	48,334	-	-
3,529,355	3,709,998	3,781,909	91,332	1,784,418	624,015	1,890,955	-
2,250	2,907	282	5,575	19,091	47	-	19,044
58,496	859,177	859,177	481,515	35,178	141,764	-	-
6,189,977	6,436,170	6,504,354	128,133	3,221,627	1,073,218	3,252,177	-
3,800	5,551	3,062	2,602	5,647	505	-	5,142
1,235,202	1,246,222	1,246,222	1,074	120,386	205,627	-	-
13,620,297	15,077,957	15,166,411	731,499	5,447,213	2,502,458	5,143,132	24,186
103,681	108,164	62,129	7,170	165,826	10,251	-	155,575
2,069,572	1,855,616	1,511,596	(39,666)	383,686	249,413	-	134,273
1,425,463	1,453,110	636,624	15,535	800,952	105,043	-	695,909
3,495,035	3,308,726	2,148,220	(24,131)	1,184,638	354,456	-	830,182
100	510,613	516,456	3,586,785	703	85,215	-	-
17,712	1,237,189	1,714,764	2,731,268	39,670	282,936	-	-
64	15,753,708	14,534,757	15,735,144	64	2,398,235	-	-
432,092	476,835	211,047	33,503	323,543	34,823	-	288,720
76,450	2,126,123	2,775,176	2,474,600	92,299	457,904	-	-
406,446	204,121	209,138	(91,692)	184,198	34,508	-	149,690
4,862	5,659	138	4,410	26,906	23	-	26,883
937,626	19,803,635	19,445,020	20,887,233	666,680	3,208,429	-	465,293
933	16,450,529	17,227,727	4,444,533	252	2,842,575	-	-
17,500	17,500	-	-	91,384	-	-	91,384
346,073	2,147,405	2,147,347	42,268	8,121	354,312	-	-
53,153,437	53,222,462	53,317,236	1,321	1,017,452	8,797,344	-	-
366,392	418,686	804,414	24,035	168,400	132,728	-	35,672
53,884,335	72,256,582	73,496,724	4,512,157	1,285,609	12,126,959	-	127,056
1,375,960	1,375,960	1,412,538	-	218,600	233,069	-	-
417	785,721	479,321	854,680	454	79,088	-	-
1,376,377	2,161,681	1,891,859	854,680	219,054	312,157	-	-
39,900	42,257	57,764	3,943	66,757	9,531	-	57,226
1,515,465	1,515,465	2,065,126	-	17,098	340,746	-	-
181,883	1,290,389	1,213,777	529,624	86,900	200,273	-	-
205,079	223,879	239,557	13,769	150,199	39,527	-	110,672
600	600	-	-	600	-	-	600
1,942,927	3,072,590	3,576,224	547,336	321,554	590,077	-	168,498
1,346	491,303	397,817	966,274	2,655	65,640	-	-
29,265,659	29,981,033	24,011,669	409,488	16,751,970	3,961,925	-	12,790,045
583,673	9,383,684	9,426,743	2,630,445	174,468	1,555,413	-	-
16,650	16,650	-	-	75,449	-	-	75,449
954	323,779	272,388	217,389	642	44,944	-	-
29,868,282	40,196,449	34,108,617	4,223,596	17,005,184	5,627,922	-	12,865,494
1,503,930	1,517,678	1,687,712	2,049	224,155	278,472	-	-
689,074	750,471	922,427	76,715	860,994	152,200	1,500,000	-
146,000	146,000	165,072	-	168,877	27,237	-	141,640
332,420	335,429	294,640	1,576	174,133	48,616	-	125,517
248,447	252,595	301,322	2,257	135,173	49,718	-	85,455
15,570	45,295,221	36,173,580	63,306,170	21,769	5,968,641	-	-
117,950	118,050	67,170	160	188,387	11,083	-	177,304
3,053,391	48,415,444	39,611,923	63,388,927	1,773,488	6,535,967	1,500,000	529,916
827,900	845,713	804,279	1,948	90,543	132,706	-	-
1,594,813	1,638,322	2,030,497	5,275	193,370	335,032	-	-
470,133	486,021	564,537	6,515	192,774	93,149	-	99,625
2,357,375	2,408,332	2,351,242	2,207	102,123	387,955	-	-
196,014	6,096,624	6,669,578	488,308	16,221	1,100,480	-	-
5,446,235	11,475,012	12,420,133	504,253	595,031	2,049,322	-	99,625
21,257	6,798,630	3,340,710	20,971,552	65,777	551,217	-	-
12,972	12,972	8,683	-	37,673	1,433	-	36,240
34,229	6,811,602	3,349,393	20,971,552	103,450	552,650	-	36,240
1,339,728	1,437,663	1,173,586	52,111	712,863	193,642	-	519,221
42,935	188,184,990	91,092,697	283,045,057	64,592	15,030,295	-	-
154,409	154,409	162,642	-	201,893	26,836	-	175,057
714	91,715,694	30,421,244	158,178,935	1,231	5,019,505	-	-
1,125,820	1,194,604	1,297,026	74,164	1,213,875	214,009	-	999,866
2,663,606	282,687,360	124,147,195	441,350,267	2,194,454	20,484,287	-	1,694,144

State of Colorado
Cash Funds Uncommitted Reserves Report
Report of Funds with Uncommitted Reserves and Fee Revenue Greater than \$0
Fiscal Year 2023 as of June 30, 2023

Fund	Fund Balance (Note 4) ¹	Exempt Assets (Note 5)	Capital Reserve (Note 6)	Previously Appropriated Fund Balance (Note 7)
Department of Natural Resources				
Land and Water Management Fund	75,000	-	-	-
Satellite Monitoring System Cash Fund	15,847	-	-	-
Mined Land Reclamation Fund	938,444	-	-	-
Water Resources Cash Fund	1,234,598	-	-	-
Severance Tax Operating Fund	108,380,607	1,976	-	-
Colorado Natural Resources Foundation Fund	907,230	883	-	-
Subtotal	111,551,726	2,859	-	-
Department of Personnel and Administration				
Property Fund	9,668,076	-	-	-
State Archives and Public Records Cash Fund	49,039	-	-	-
Administrative Hearings Fund	2,279,857	374,003	174,134	-
Subtotal	11,996,972	374,003	174,134	-
Department of Public Health and Environment				
Lead Hazard Reduction Fund	34,965	-	-	-
Vital Records Fund	2,040,971	-	-	-
Sludge Management Fund	187,947	-	-	-
Trauma System Cash Fund	82,903	-	-	-
Fixed and Rotary-Wing Ambulances Cash Fund	192,687	-	-	-
Medical Marijuana Cash Fund	399,799	-	-	-
Drinking Water Cash Fund	3,563	-	-	-
Coroner Training Fund	90,315	-	-	-
Public and Private Utilitiess Sector Fund	1,718,788	-	-	-
Community Integrated Health Care Service Agencies	53,720	-	-	-
Medication Administration Fund	128,365	-	-	-
Home Care Agency Cash Fund	267,171	-	-	-
Visa Waiver Program Fund	22,601	-	-	-
Health Facilities General Licensure Cash Fund	910,725	-	-	-
Laboratory Cash Fund	83,140	-	-	-
Ozone Protection Fund	25,034	-	-	-
Hazardous Waste Commission Fund	183,934	-	-	-
Paint Stewardship Cash Fund	205,490	-	-	-
Emergency Medical Services Peer Assistance Fund	3,599	-	-	-
Behavioral Health Entity Cash Fund	29,733	-	-	-
Newborn Hearing Screening Cash Fund	285,579	-	-	-
Perfluoroalkyl and Polyfluoroalkyl Substances Cash Fund	13,999,910	(513)	-	-
Water and Wastewater Facility Operators Fund	52,318	-	-	-
Subtotal	21,003,257	(513)	-	-
Department of Public Safety				
Fire Service Education and Training Fund	190,061	-	-	-
Fire Suppression Cash Fund	132,861	-	-	-
Fireworks Licensing Cash Fund	45,764	-	-	-
Sex Offender Registry Fund	22,510	-	-	-
Sex Offender Treatment Provider Fund	16,523	-	-	-
Firefighter, First and Haz Mat Responder Certification Fund	197,300	-	-	-
Criminal Justice Training Fund	129,739	17,994	-	-
Cigarette Ignition Standards & Firefighter Protection Act	86,003	-	-	-
Public School Construction and Inspection Fund	617,798	-	-	-
State Patrol Special Events Fund	167,077	-	-	-
Health Facility Construction and Inspection Fund	595,349	-	-	-
Fleet Management Fund	678,351	-	-	-
Subtotal	2,879,336	17,994	-	-
Department of Regulatory Agencies				
Insurance Fraud Cash Fund	7,913	-	-	-
Public Utilities Commission Fixed Utility Fund	2,329,641	56,491	-	-
Public Utilities Commission Motor Carrier Fund	160,203	-	-	-
Division of Professions and Occupations Cash Fund	20,840,952	-	-	-
Prescription Drug Monitoring Fund	2,524,880	-	-	-
Viatical Settlements Cash Fund	144,600	-	-	-
Disabled Telephone Users Fund	677,434	-	-	-
Telecommunications Utility Fund	100,951	1	-	-
Real Estate Cash Fund	471,372	-	-	-
Division of Securities Cash Fund	1	-	-	-
Vehicle Booting Cash Fund	2,100	-	-	-
Colorado High Cost Administration Fund	80,215	-	-	-
Consumer Outreach and Education Fund	8,645	-	-	-
Public Deposit Administration Fund	434,833	-	-	-
Financial Services Cash Fund	551,067	-	-	-
State 911 Fund	30,791	-	-	-
Subtotal	28,365,598	56,492	-	-

¹ Note numbers in column headings refer to the Notes to the Cash Funds Uncommitted Reserves Report beginning on Page 44, prepared by the Office of the State Controller.
Source: Office of the State Controller.

Fee Revenue (Note 8)	Total Revenue	Total Expense	Non-Fee Fund Balance (Note 9)	Uncommitted Reserve (Note 10)	Maximum Reserve (Note 11)	Alternative Maximum Reserve (Note 12)	Excess Uncommitted Reserve (Note 13)
97,300	100,305	100,305	2,247	72,753	16,550	-	56,203
328,356	331,281	355,422	140	15,707	58,645	-	-
990	947,127	945,289	937,463	981	155,973	-	-
10,080	526,373	592,423	1,210,956	23,642	97,750	-	-
3,310	100,066,330	67,330,457	108,375,046	3,585	11,109,525	-	-
6,682	364,634	375,333	889,738	16,609	61,930	-	-
446,718	102,336,050	69,699,229	111,415,590	133,277	11,500,373	-	56,203
4,936,352	16,605,428	19,689,512	6,794,014	2,874,062	3,248,769	-	-
51,382	64,104	112,799	9,732	39,307	18,612	-	20,695
49,623	7,028,134	6,249,592	1,719,493	12,227	1,031,183	-	-
5,037,357	23,697,666	26,051,903	8,523,239	2,925,596	4,298,564	-	20,695
41,770	43,202	68,530	1,159	33,806	11,307	-	22,499
4,157,761	4,207,612	3,702,228	24,181	2,016,790	610,868	-	1,405,922
191,941	194,542	183,306	2,513	185,434	30,245	-	155,189
538,593	546,180	581,157	1,152	81,751	95,891	-	-
68,929	74,768	67,960	15,048	177,639	11,213	-	166,426
2,015,351	2,028,379	1,994,456	2,568	397,231	329,085	-	68,146
920	576,460	575,876	3,557	6	95,020	-	-
56,000	56,000	14,285	-	90,315	2,357	-	87,958
129,560	2,914,372	3,234,890	1,642,378	76,410	533,757	-	-
26,670	26,670	9,705	-	53,720	1,601	-	52,119
94,917	94,917	53,716	-	128,365	8,863	-	119,502
1,332,306	1,332,306	1,146,789	-	267,171	189,220	-	77,951
7,250	7,861	5,382	1,757	20,844	888	-	19,956
1,678,935	3,331,935	2,544,794	451,818	458,907	419,891	-	39,016
885,050	884,931	934,562	(11)	83,151	154,203	-	-
164,421	164,421	175,640	-	25,034	28,981	-	-
67,403	68,028	80,535	1,690	182,244	13,288	-	168,956
120,000	120,000	109,319	-	205,490	18,038	-	187,452
5	1,346	44,550	3,586	13	7,351	-	-
98,959	98,959	174,177	-	29,733	28,739	-	994
128,496	360,103	192,024	183,675	101,904	31,684	-	70,220
7,786,087	8,129,073	4,508,950	590,713	13,409,710	743,977	-	12,665,733
19,450	20,753	7,454	3,285	49,033	1,230	-	47,803
19,610,774	25,282,818	20,410,285	2,929,069	18,074,701	3,367,697	-	15,355,842
92,442	100,162	26,111	14,649	175,412	4,308	-	171,104
176,286	176,766	95,036	361	132,500	15,681	-	116,819
38,050	38,367	14,591	378	45,386	2,408	-	42,978
1,020	1,623	99	8,363	14,147	16	-	14,131
300	14,260	17,143	16,175	348	2,829	-	-
282,710	288,926	250,775	4,245	193,055	41,378	-	151,677
55,658	87,643	154,991	40,781	70,964	25,574	-	45,390
9,000	9,000	7,404	-	86,003	1,222	-	84,781
2,858,174	2,875,216	2,601,028	3,662	614,136	429,170	1,040,411	-
848,357	1,855,915	1,796,604	90,704	76,373	296,440	-	-
1,992,259	2,528,081	2,326,061	126,183	469,166	383,800	697,818	-
6	546,941	495,994	678,344	7	81,839	-	-
6,354,262	8,522,900	7,785,837	983,845	1,877,497	1,284,665	1,738,229	626,880
4,350	4,350	-	-	7,913	-	-	7,913
15,823,285	17,509,323	20,526,558	218,890	2,054,260	3,386,882	-	-
2,120,842	2,340,414	2,473,062	15,030	145,173	408,055	-	-
26,620,667	42,914,033	31,002,696	7,912,779	12,928,173	5,115,445	-	7,812,728
834,539	3,483,150	1,179,294	1,919,936	604,944	194,584	-	410,360
9,480	9,480	1,901	-	144,600	314	-	144,286
4,342,272	4,378,135	4,330,730	5,549	671,885	714,570	-	-
1,241,459	1,241,459	1,391,578	-	100,950	229,610	-	-
6,088,991	6,509,131	7,319,594	30,425	440,947	1,207,733	-	-
4,192,181	4,192,181	5,227,344	-	1	862,512	-	-
2,100	2,100	-	-	2,100	-	-	2,100
168,073	171,642	187,848	1,668	78,547	30,995	-	47,552
78,004	80,641	86,453	283	8,362	14,265	-	-
5,987,646	6,040,031	6,271,655	3,771	431,062	1,034,823	-	-
2,535,764	2,560,881	2,009,816	5,405	545,662	331,620	-	214,042
165,188	165,188	140,959	-	30,791	23,258	-	7,533
70,214,841	91,602,139	82,149,488	10,113,736	18,195,370	13,554,666	-	8,646,514

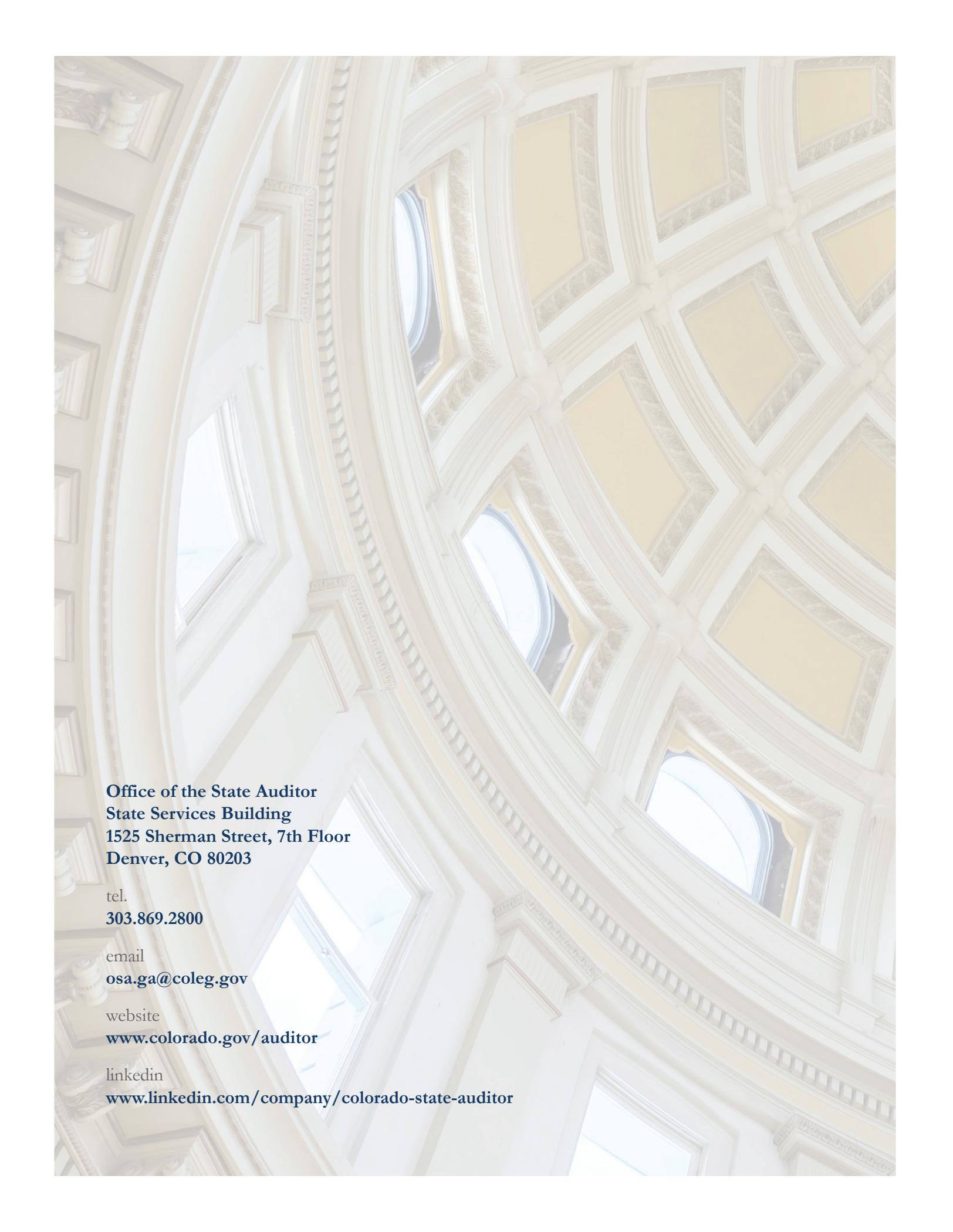
State of Colorado
Cash Funds Uncommitted Reserves Report
Report of Funds with Uncommitted Reserves and Fee Revenue Greater than \$0
Fiscal Year 2023 as of June 30, 2023

Fund	Fund Balance (Note 4) ¹	Exempt Assets (Note 5)	Capital Reserve (Note 6)	Previously Appropriated Fund Balance (Note 7)
Department of Revenue				
Marijuana Tax Cash Fund	140,059,941	-	-	-
Marijuana Cash Fund	236,067	45,753	-	-
Racing Cash Fund	242,719	2,202	-	-
Auto Dealers License Fund	652,263	8,021	-	-
Private Letter Ruling Fund	26,481	-	-	-
Liquor Enforcement Division & State Licensing Authority	1,704,529	10,339	-	-
Tax Lien Certification Fund	75,240	-	-	-
Prepaid Wireless Trust Cash Fund	66,151	-	-	-
Gambling Payment Intercept Fund	128,381	-	-	-
Limited Gaming Fund	2,520,682	29,366	-	-
Colorado DRIVES Fund	38,156,628	251,364	-	-
Sports Betting Fund	25,454,129	16,356	-	-
Subtotal	209,323,211	363,401	-	-
Department of State				
Department of State Cash Fund	6,556,011	987,071	-	-
Department of Treasury				
AIR Account	5,238,087	-	-	-
Unclaimed Property Fund	511,801,435	575	-	-
Subtotal	517,039,522	575	-	-
Grand Total	\$1,540,679,135	\$39,751,818	\$1,683,492	\$0

¹ Note numbers in column headings refer to the Notes to the Cash Funds Uncommitted Reserves Report beginning on Page 44, prepared by the Office of the State Controller.
Source: Office of the State Controller.

Fee Revenue (Note 8)	Total Revenue	Total Expense	Non-Fee Fund Balance (Note 9)	Uncommitted Reserve (Note 10)	Maximum Reserve (Note 11)	Alternative Maximum Reserve (Note 12)	Excess Uncommitted Reserve (Note 13)
251,637	152,273,991	141,257,201	139,828,488	231,453	23,307,438	-	-
5,609,299	13,096,619	16,228,318	108,802	81,512	2,677,672	-	-
1,833,443	1,833,443	1,814,010	-	240,517	299,312	-	-
3,625,047	3,625,047	4,270,790	-	644,242	704,680	-	-
6,400	6,400	6,400	-	26,481	1,056	-	25,425
5,884,205	5,884,205	6,415,781	-	1,694,190	1,058,604	-	635,586
8,214	8,214	-	-	75,240	-	-	75,240
13,998	13,998	-	-	66,151	-	-	66,151
16,582	19,953	6,610	21,690	106,691	1,091	-	105,600
802,620	171,047,939	170,972,958	2,479,626	11,690	28,210,538	-	-
42,324,738	80,783,933	63,632,116	18,045,741	19,859,523	10,499,299	-	9,360,224
2,262,254	28,530,914	15,330,779	23,420,778	2,016,995	2,529,579	-	-
62,638,437	457,124,656	419,934,963	183,905,125	25,054,685	69,289,269	-	10,268,226
21,393,475	32,585,569	31,000,195	1,912,752	3,656,188	5,115,032	5,196,621	-
4,885	8,875,135	8,889,525	5,235,204	2,883	1,466,772	-	-
4,880	170,528,090	61,641,858	511,786,214	14,646	10,170,907	-	-
9,765	179,403,225	70,531,383	517,021,418	17,529	11,637,679	-	-
\$302,131,750	\$1,426,440,838	\$1,057,503,587	\$1,398,346,098	\$100,897,727	\$174,488,095	\$13,577,982	\$51,970,569





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